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# Daily Report

# East Asia

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# Daily Report
## East Asia

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## Japan

### Bush Reportedly Asked Kaifu for SDF Dispatch

*OW1610002990 Tokyo KYODO in English 2348 GMT 15 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—U.S. President George Bush has asked Japanese Prime Minister Toshiki Kaifu to send personnel and ships from Japan's Self-Defense Forces to the Persian Gulf to assist international efforts to restore peace there, the ASAHI SHIMBUN reported Tuesday.

During a meeting in New York on September 29, Bush told Kaifu that the world would welcome it if Japanese forces became active in the fields of transportation, rear support and medication, without the use of force, the major daily said.

In a telephone conversation on August 14, Bush asked Kaifu to dispatch minesweepers and oilers to the Gulf region.

The ASAHI said it has received confirmation of the information from high-level Japanese and U.S. Government officials. The report coincided with the announcement of a bill aimed at sending noncombat SDF personnel abroad as members of a proposed U.N. peace cooperation corps to back U.N. peacekeeping activities. Legislation calling for the establishment of a U.N. peace cooperation corps is expected to be the focus of attention during a 30-day extraordinary session of the Diet that began last Friday.

The ASAHI SHIMBUN, citing high-level Japanese and U.S. Government officials, reported Tuesday that Bush, in an August 14 telephone conversation, had asked Japan to send minesweepers and oilers to the Gulf region.

The government's proposal to send SDF members abroad has stirred a controversy in Japan, with major opposition parties and other opponents saying it runs counter to Japan's war-renouncing Constitution.

### Spokesman Denies Bush Request

*OW1610033390 Tokyo KYODO in English 0300 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—The Japanese Government denied Tuesday a news report that U.S. President George Bush has pressured Japan to send military personnel to assist in international efforts to restore peace in the Persian Gulf.

Chief cabinet spokesman Misoji Sakamoto said that Bush did not make specific requests pertaining to the Self-Defense Forces [SDF] in a phone conversation with Kaifu following Iraq's August 2 invasion of Kuwait, or during their subsequent September 29 meeting in New York.

"There was no specific sectoral request to send Self-Defense Forces to provide transportation, or rear support. There was no clear request regarding the SDF," he told a regular news conference.

The top government spokesman made the comments in refuting an ASAHI SHIMBUN report that Bush told Kaifu on September 29 the world would welcome the participation of Japanese forces in noncombat fields such as transportation, rear support, and medical services.

Sakamoto said a bill submitted to the Diet Tuesday enabling the SDF to serve overseas in the Gulf crisis was compiled in accordance with "the independent judgment of the Japanese Government."

### U.S. 'Demand' Not Revealed

*OW1610063290 Tokyo KYODO in English 0617 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—U.S. President George Bush has urged Prime Minister Toshiki Kaifu to send Japanese forces to the Persian Gulf to help international efforts to restore peace and stability in the region, informed U.S. and Japanese sources said Tuesday. The request was made on September 29 when the two leaders met for an hour in New York, the sources said.

Japanese and U.S. officials, however, did not reveal the U.S. demand for the dispatch of Japanese forces conceivably for fear of possible adverse effects on the process of working out Japanese contribution measures to the Gulf crisis.

According to the sources, Bush told Kaifu that while he understood the Japanese constitutional restrictions, he felt the world would welcome a more effective participation of Japanese forces in international peacekeeping activities.

Earlier in the day, Chief Cabinet Secretary Misoji Sakamoto denied a newspaper report that Bush had pressured Japan to send military personnel to the Middle East. "There was no specific request to send Self-Defense Forces personnel to provide transportation or rear support," Sakamoto said, referring to a report in the Japanese daily the ASAHI SHIMBUN on Tuesday.

Sakamoto stressed that Japan will use its own independent judgment in enacting the government-proposed United Nations peace cooperation bill aimed at enabling the Self-Defense Forces (SDF) to engage in peacekeeping activities abroad.

A full-scale debate on the U.N. cooperation bill started the same day in the Diet. The opposition camp has denounced the bill, arguing that sending SDF personnel abroad as members of the proposed U.N. peace cooperation corps runs counter to the constitutional ban on use of force to settle international disputes.

## Annual 'Bluebook' Reaffirms U.S. Security Ties

*OW1610014190 Tokyo KYODO in English 0034 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—Japan will redouble its efforts toward resolving regional conflicts and promoting global economic and political stability in the fragile new world order of the 1990's, according to the Foreign Ministry's annual "bluebook" on diplomacy released Tuesday.

"At this historical turning point, Japan must make an even greater effort to fulfill its responsibilities and act more vigorously," the report said.

This year's bluebook, a 466-page document which highlights the need to tackle regional conflicts, represents the Foreign Ministry's first detailed assessment of the sweeping geopolitical changes which have spelled an end to the four decades-long cold war and their consequences for Japan's foreign policy.

The report cautiously welcomed the relaxation of East-West ideological discord and the accelerating shift to democracy and free-market economics over the past year.

But it warned that there is no room for complacency while the future of the international community remains fraught with "uncertainties and instabilities." "These changes have only just begun and they have by no means been consolidated," the report said.

In the Soviet Union, reform-minded President Mikhail Gorbachev faces numerous problems and the fate of his reforms is "far from certain," it said.

"The Soviet Union remains a major nuclear power, and the uncertainty surrounding the situation there is a cause of uncertainty in the outlook for the future of international relations," it said.

Meanwhile, regional conflicts being carried on outside the East- West framework also merit close attention, the report stated, pointing to Iraq's invasion of Kuwait as the most glaring example.

"And there is no reduction in the possibility for an eruption of new conflicts," it said, alluding to a possible escalation of the conflict between India and Pakistan over Kashmir, as well as other dangerous hot spots.

Closer to the home front, the bluebook noted that despite some marked changes for the better in Asia, discord still prevails on the Korean peninsula and in Cambodia, while no substantive changes in Moscow's position on its territorial dispute with Japan have been made evident.

Turning to Japan's plan of action, the report said that in its position as the world's second largest economy, Japan must "contribute vigorously to international efforts to secure peace and stability in all corners of the globe."

it said that Japan has "a duty to work to maintain stability in regions beset with conflict by eliminating destabilizing elements in the international community."

One way Japan intends to accomplish that task, the report said, is by extending greater financial and personnel support for U.N. peacekeeping activities, which have been revitalized by the U.S.- Soviet rapprochement.

The dispatch of more Japanese personnel is especially important as Japan's past U.N. related efforts have not been "fully appreciated" by the international community, due in part to a lopsided emphasis on financial contributions, it said.

The bluebook's release coincided with the government's presentation to the Diet of a bill proposing the overseas dispatch of a large-scale U.N. peace cooperation corps for international duties in such locales as the Persian Gulf and a post-ceasefire Cambodia.

Another way Japan intends to peacefully counter "destabilizing elements" in the world, the report said, is by providing increased aid and technical cooperation designed to promote growth in developing countries.

It noted that Japan has now surpassed the United States as the world's largest aid donor country.

Underlining the political importance now attached to Japan's massive aid disbursement, the report said Japanese aid to East European countries has become a "prerequisite" for rebuilding their economies and thereby consolidating democracy and free-market reforms in the region.

It said that notwithstanding the territorial problem with the Soviets, Japan supports Western assistance to Moscow as well "because Japan believes that it is in the best interests of world peace and stability that perestroyka in the Soviet Union achieves its stated objectives."

The bluebook acknowledged the need for Japan to "take into special consideration" the deep-rooted concern in many developing countries over the prospect of lost aid revenues due to the West's concentration on events in the Soviet Union and Eastern Europe.

But it said Japan remains committed to assisting in the development of Third World countries and pledged to promote increased imports of their manufactured goods and agricultural products.

The report made no mention of the possible impact on aid to developing countries of the 4 billion dollars Japan has pledged to support multinational forces in the Persian Gulf and to offset economic dislocations in the surrounding region.

Touching on Japan's resumption of aid to China ahead of its Western allies, to encourage further openness and

reform, the report said Japan "has to take responsibility before the international community for the results of its initiatives."

On Japan's key relationship with the U.S., the bluebook said it is "crucial" for the structural adjustment agreements reached earlier this year between the world's two largest economies to be successfully implemented.

"While such structural adjustments may entail a certain measure of difficulty and sacrifice on Japan's part, it is important that Japan make vigorous efforts at reducing external imbalances," it said.

The report vowed that Japan will firmly adhere to domestic demand-led economic management and continue efforts to become an "import superpower" by promoting further deregulation and enhancing market access.

Commenting on the U.S.-Japan security relationship, the report said that despite the relaxation of East-West tensions, its importance remains undiminished not only for the two countries, but for the stability of the Asia-Pacific region as a whole.

It said that one of the enduring benefits of the bilateral security arrangements is that they lend international credibility to Japan's intention not to become a major military power.

The report said that as the U.S. is faced with massive fiscal deficits, its calls on its allies to increase their share of the defense burden are bound to increase. It pledged further Japanese "efforts" toward this end.

## Controversy Over SDF, Peace Bill Continues

### Opposition Opposes SDF Dispatch

*OW1310103590 Tokyo NHK General Television Network in Japanese 1000 GMT 12 Oct 90*

[Text] Prime Minister Kaifu spoke at a general meeting of Liberal Democratic Party [LDP] members of both houses of parliament following the opening of the extraordinary Diet session on the afternoon of 12 October. At the meeting, Prime Minister Kaifu said that it is an important time for Japan to discuss how it can make specific contributions to world peace as a member of the global community. He said that the government is working hard to draft the UN peace cooperation bill and wants the LDP to take the lead in Japan fulfilling its responsibilities at a time when major historical changes are taking place in both the East and the West. Mr. Kaifu thus stressed the need to pass the UN peace cooperation law during the current Diet session.

Meanwhile, Ms. Doi, chairwoman of the Japanese Socialist Party, has said that the UN peace cooperation bill is based on the assumption that the Self-Defense Forces [SDF] should be dispatched overseas. Ms. Doi criticized the bill as being intended to nullify both the Constitution and parliamentary resolutions by giving expanded interpretations to them. She said the party will firmly oppose the bill and will launch antibill campaigns inside and outside the Diet.

Komei Party Chairman Ishida has said that there are problems with the UN peace cooperation bill and that the problems concern questions of constitutionality and exercise of the collective self-defense right. He said he opposes the bill and indicated his party would take measures to block it.

Chairman Fuwa of the Communist Party of Japan has said that the UN Peace Cooperation Bill will lead to the overseas dispatch of the SDF. He insists that an SDF dispatch will mean their participation in a war and that it cannot be permitted under the Constitution.

On the other hand, Democratic Socialist Party Chairman Ouchi has said that in general, his party thinks highly of the UN peace cooperation bill. However, Mr. Ouchi said that sending the SDF abroad should not include allowing them to use military force. He said that an important point is that in principle, they are unarmed.

Mr. Eda, leader of the Progressive Democratic Union, has said that the UN peace cooperation bill means sending the SDF abroad which is prohibited under the Constitution. Mr. Eda said the bill should not be passed by parliament.

### Socialist Party Issues Version

*OW1510145190 Tokyo KYODO in English 1431 GMT 15 Oct 90*

[Text] Tokyo, Oct. 15 KYODO—The Japan Socialist Party (JSP) on Monday announced its version of a United Nations peace cooperation organization law which bans overseas dispatch of the Self-Defense Forces (SDF) and stresses respect for the pacifist Constitution.

The proposal by the JSP, Japan's largest opposition party, came on the heels of the ruling Liberal Democratic Party (LDP)'s approval to present to the month-long extraordinary Diet session a bill authorizing sending noncombat SDF personnel to regions of conflict to support U.N. peacekeeping operations.

The proposal, announced by JSP Secretary General Tsuruo Yamaguchi, strictly limits dispatch of the U.N. peace corps within the framework of the postwar Constitution. The proposal renounces use of force to solve international disputes by sending unarmed groups, denying any SDF participation.

JSP Chairwoman Takako Doi, in a lecture in Osaka on Monday, reiterated her opposition to the government bill, saying that "Japanese pride themselves over the war-renouncing Constitution and should not solve disputes by use or threat of force."

The JSP peace corps bill allows Japan's participation in U.N.-backed activities for a peaceful solution to international conflicts, emergency relief activities in overseas regions suffering natural disasters, and in nonmilitary and civilian fields.

The bill proposes establishment of a 1,000-force U.N. peace cooperation corps to undertake assistance to U.N. peacekeeping operations and related civilian and administrative activities, cease-fire monitoring, and supervision and management of elections. As a rule, these corps members should abide by the principles of not possessing arms, acting upon consensus from receiving nations, and committing themselves to peace activities without adversaries.

The U.N. peace cooperation organization, under the auspices of the foreign minister, will be organized for the corps. Its head will be named by the cabinet and approved by the Diet, according to the JSP bill.

The international emergency relief aid law, currently empowering personnel dispatch for relief activities to regions suffering natural disasters, will be incorporated into the organization law.

The bill called for establishment of a U.N. peace security fund, to which Japan will disburse 0.1 percent of its gross national product (GNP), currently amounting to about 3 billion dollars. Formation of a U.N. peace cooperation council was also proposed.

The second-largest opposition, Komeito, and the Japan Communist Party joined the JSP in strongly opposing the LDP bill as gravely infringing the peace principles of the Constitution.

JSP's Yamaguchi said dispatch of SDF overseas would ignore strong criticism by Asian nations and Japanese public opinion.

Komeito said SDF's structural dispatch overseas and permission to carry small firearms threatens to nullify the peace principles of the Constitution. It said Japan should first discuss fully how it contributes to crisis management in the post-cold war era.

The Communist Party said the bill sought to revive militarism and military assistance to the multinational forces led by the United States.

The Democratic Socialist Party said the bill prepared Japan to assume responsibility in the world. But it warned that the bill will lead to unconditional dispatch of SDF overseas and called for clear interpretation of the Constitution.

### More on Carrying Small Firearms

*OW1510072090 Tokyo KYODO in English 0544 GMT 15 Oct 90*

[Text] Tokyo, Oct. 15 KYODO—Members of Japan's proposed United Nations peace cooperation corps would be allowed to carry pistols and small firearms for self-protection under the final draft of a bill approved Monday by the ruling Liberal Democratic Party's [LDP's] related panels. The arms provision is part of a measure that proposes the dispatch of Japanese personnel to the Persian Gulf. The final draft of the bill was approved by the LDP's foreign affairs, national defense, and cabinet divisions.

The bill now goes before the Diet for further debate. It is expected to have some difficulty in the opposition-controlled upper house.

Article 27, which permits the peace cooperation corps to carry light firearms, is the lone addition to the original proposal of the bill, which now includes 32 articles and five bylaws. The article specifies that small firearms would be distributed for use by members of the corps while they are overseas, and only could be used for self-protection. This article, however, would not apply if the nation of the Japanese deployment prohibited the carrying or use of firearms.

Outside of the applications of Articles 36 and 37 of the penal code, which permit self-defense and emergency assistance, the bill says that members of the corps must not harm other persons.

Article 21 in the draft bill also specifies that members of the Maritime Safety Agency (MSA) would be dispatched as members of the corps to serve as crews of MSA ships and would keep their MSA status.

### Kaifu Seeks 'New Direction'

*OW1610053190 Tokyo KYODO in English 0508 GMT 16 Oct 90*

[Excerpts] Tokyo, Oct. 16 KYODO—The Japanese Government submitted a bill to parliament Tuesday that would allow the dispatch abroad of noncombat military personnel to join U.N.-backed peacekeeping activities for the first time since Japan's World War II defeat. [Passage omitted]

Prime Minister Toshiki Kaifu, upon winning approval of the proposed legislation from his cabinet, said he hoped the Diet session would produce a "new direction" following Japan's 45 years of postwar history.

"It is impossible for Japan, given its international status, to shut its eyes" to the Mideast crisis, Kaifu was quoted as telling a regular cabinet session. "Contributing to the best of our ability is linked to our national interest," he said.

Chief Cabinet Secretary Misoji Sakamoto told reporters after the cabinet session that the bill represents Japan's degree of willingness to play a larger role in the international community. "It is necessary for us to offer an effective contribution in areas of personnel, and material supplies, not just finances," he said. [passage omitted]

## Cabinet Approves SDF Dispatch

*OW1610012690 Tokyo KYODO in English 0046 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—The cabinet of Prime Minister Toshiki Kaifu approved a bill Tuesday that would allow the Japanese Government to send noncombat personnel from the Self-Defense Forces overseas to assist in United Nations peacekeeping activities, officials said.

The Diet, the country's legislature, will discuss the bill during the month-long extraordinary session lasting through November 10. The bill would facilitate the first overseas dispatch of Japanese military personnel since the nation's defeat in World War II.

The proposed legislation calls for the establishment of a U.N. peace cooperation corps, consisting of Self-Defense Forces (SDF) personnel, civil servants, and volunteers, who could be dispatched to overseas trouble spots such as the Persian Gulf.

Corps members would be allowed to carry small firearms for self- defense, but would not be called on to fight, according to the bill.

The main activities specified for the corps are observing cease- fires, supervising elections, providing transportation and communications services, repairing equipment, and providing medical services and refugee relief.

The peace corps "shall not resort to the threat of force or the actual use of force" in implementing its duties, the bill says.

The corps will come under the direct control of the prime minister who will serve as its chief executive officer.

The government hammered out the bill over the past six weeks to bolster Japan's response to Iraq's August 2 invasion of Kuwait.

Japan has pledged 2 billion dollars to the multinational force in the Gulf area and an additional 2 billion dollars to nations hit by international economic sanctions against Iraq.

Tokyo has been criticized for not pulling its weight in efforts to resolve the Gulf crisis, despite its 70 percent dependence on oil supplies from the Middle East.

The government may have a hard time getting the bill through the Diet, particularly the opposition-controlled House of Councilors, political analysts say. Kaifu's ruling Liberal Democratic Party has a comfortable majority in the powerful House of Representatives but has no majority in the second chamber.

Major opposition groups, except the moderate Democratic Socialist Party, oppose the proposed dispatch of SDF personnel overseas as a violation of Japan's Constitution which renounces war and of the SDF Law, which contains no reference to an overseas mission.

The Constitution, introduced during the U.S. occupation, bans the threat or use of force as a means of resolving international disputes, and has been widely interpreted as barring Japan from participating in collective defense.

However, on Monday, Prime Minister Kaifu offered a new interpretation of the term and said that Japan's Constitution can be interpreted so as to allow it to participate in U.N.-backed collective security arrangements.

The concept of U.N.-backed collective security is different from that of mere collective defense which calls for Japan's military participation in defense of a certain country which has been attacked.

The bill stipulates that the U.N. peace cooperation corps will be dispatched in conjunction with U.N. resolutions or in joint action with other international organizations or nations to enforce U.N. resolutions.

The prime minister would be authorized to request the Maritime Safety Agency to send patrol ships, aircraft, and personnel to join the corps to back up its peace promotion efforts.

## Kaifu Seeks Support for Bill

*OW1610112090 Tokyo KYODO in English 1021 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—Prime Minister Toshiki Kaifu appealed for support Tuesday for a bill proposing the establishment of a United Nations peace cooperation corps to assist U.N.-led peacekeeping activities, and denied opposition allegations that the corps would violate Japan's war-renouncing Constitution.

Kaifu told the Diet, or parliament, that he proposed the noncombat corps to enable Japan to contribute to international peacemaking in the new world order rapidly emerging following Iraq's August 2 invasion of Kuwait.

Responding to opposition leader Takako Doi at a House of Representatives plenary session, Kaifu said the corps would not violate Article 9 of the Constitution, which bans the use of force to resolve international disputes.

The peace cooperation corps would not be construed as overseas dispatch of military forces because it would not be dispatched for the purpose of joining combat, he said.

Kaifu was noncommittal about sending the corps to the Persian Gulf, saying any decision to dispatch the proposed corps to support U.N. activities would be made on a "case-by-case basis." He said he is not considering sending Japan's Self-Defense Forces (SDF) as such to join multinational forces in the Persian Gulf.

The bill, submitted earlier in the day to the special Diet session, calls for establishing a corps consisting of SDF personnel, civilian employees and private citizens to be dispatched overseas to ensure the effectiveness of U.N. resolutions.

The U.N. peace corps' activities would include observing ceasefires, supervising elections, and providing medical and refugee relief. The bill also calls for participation in transportation and communications.

The government position that Japan may not engage in collective defense still stands, Kaifu said. He indicated that he considers security operations related to U.N. resolutions as different from collective defense agreements among specific countries.

Doi, a constitutional scholar, slammed the bill as a violation of the Constitution, and demanded that the ruling Liberal Democratic Party (LDP) propose a revision of the Constitution if it insists on pursuing the bill.

The LDP controls the House of Representatives but is expected to have a tough time getting the legislation passed in the opposition-dominated House of Councillors.

A two-thirds majority vote is needed in each house to approve amendments to the Constitution before submitting them to the people for ratification, and the ruling party lacks such a majority even in the House of Representatives.

If the bill wins the Diet's approval, the peace cooperation corps could be in place to assist the multinational forces in the Gulf early next year, Foreign Ministry official Nobutoshi Akao told reporters. Exactly what the force would do has not been decided, he said.

Kaifu, responding to Asian concern over Japan's proposed dispatch of military personnel, said he expects Japan's role in resolving the Gulf crisis to improve Asian security because the international solidarity demonstrated in the Gulf could deter aggression in general.

He pointed out that China, as one of the five permanent members of the U.N. Security Council, had been a key player in approving U.N. resolutions countering the Iraqi invasion that he cited as paving the way for Japan's participation in international efforts to return peace to the area.

China is particularly sensitive to Japan's military activities due to Japan's aggression against it before and during World War II.

Kaifu stressed that the Japan-U.S. security pact is essential to Japan's security, and reiterated a pledge to consider increasing support for the 50,000 U.S. forces stationed here.

On Monday, the U.S. Senate adopted an amendment calling for a cutback of U.S. troops in Japan by 10,000 each year unless Tokyo pays for the entire cost of their deployment, estimated at 4.5 billion dollars a year. The House of Representatives earlier adopted a similar bill.

Following questioning from Doi, Komeito Chairman Koshiro Ishida and acting Chairman of the LDP Policy Affairs Research Council Michio Ochi questioned Kaifu on international and domestic issues.

On relations with the Soviet Union, Kaifu said he plans to consider economic assistance while taking into account overall relations, including the return of four disputed islands claimed by Japan.

He expressed hope that the visit by Soviet President Mikhail Gorbachev slated next April will be a first step paving the way for rapprochement between Japan and the Soviet Union.

Kaifu said Japan will continue extending techinical know-how to the Soviet Union. He also pledged to provide medical treatment for Soviet citizens exposed to radiation in the April 1986 Chernobyl nuclear plant disaster.

Touching on relations between Japan and North Korea, Kaifu acknowledged that Pyongyang has changed its foreign policy toward Tokyo. North Korean President Kim Il-song proposed last month that the two countries begin negotiations on normalizing relations. He made the suggestion during a visit by a joint LDP-JSP [Japan Socialist Party] parliamentarians' delegation.

Kaifu said the Japanese Government will hold "sincere" talks with North Korea to resolve the issue of compensation for Japan's harsh colonial rule of the Korean peninsula between 1910 and 1945.

## Minister Supports Return of Fire

*OW1610051590 Tokyo KYODO in English 0438 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—Transport Minister Akira Ono gave support Tuesday to the return of fire by Maritime Safety Agency patrol boats of a proposed Japanese peace cooperation corps if they were attacked while assisting in United Nations peacekeeping efforts.

Speaking at a press briefing after a cabinet meeting, Ono said, "The use of firearms could be possible" if a patrol boat from the Maritime Safety Agency is attacked during peacekeeping operations. The agency is an orgaization under the Transport Ministry.

"Pulling out should come first, but in that process a captain could order the return of fire for self-defense purposes," he said.

Ono said, however, that it is difficult to imagine the possibility of such vessels becoming targets of attack because their roles would be limited to securing safe transportation of nonmilitary vessels and rescue operations away from possible zones of conflict.

The legislation proposed by Prime Minister Toshiki Kaifu calls for the establishment of a U.N. peace cooperation corps that would be dispatched overseas to help U.N. peacekeeping activities. The corps personnel would include members of the Self-Defense Forces and the Maritime Safety Agency.

But the nation's Constitution bans the use of force as a means of settling international disputes.

## Gulf Crisis Pushes Wholesale Prices Higher

*OW1610082890 Tokyo KYODO in English 0806 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—A surge in crude oil prices stemming from the Persian Gulf crisis drove Japan's wholesale prices higher in September in the first firm indication of the impact of Iraq's August 2 invasion of Kuwait on the Japanese economy, the Bank of Japan (BOJ) said Tuesday.

Japan's overall wholesale prices rose 0.2 percent in September from the previous month and 0.9 percent from the same month a year earlier, with the price index standing at 90.9 against the base figure of 100 for 1985.

The 0.2 percent rise in overall wholesale prices, comprising export, import, and domestic prices, was largely explained by a sharp rise in domestic wholesale prices, the central bank said. But a BOJ official told reporters that domestic prices remained within a stable range if the impact of higher oil was excluded.

In August, overall wholesale prices rose 0.3 percent from July and were 1.1 percent higher than the year-earlier level.

Domestic wholesale prices jumped 0.5 percent from August and 1.1 percent from the year-earlier level. The index was 95.6 against 100 for 1985.

The September rise in domestic prices, caused mainly by soaring oil prices, was the biggest monthly increase since April last year, when the inauguration of a 3 percent consumption tax pushed up prices 1.8 percent from the preceding month. The figures compared with a 0.2 percent month-on-month rise and 0.6 percent year-on-year increase in August.

The bank said petroleum and coal product prices shot up significantly in the wake of arrival of crude oil contracted at higher prices.

On the other hand, export wholesale prices posted a 3.3 percent month-to-month decline and a 2.3 percent drop from the year before in September, the bank said.

The central bank official said the yen's appreciation against the U.S. dollar during the month helped allay pressure on prices. One central bank estimate shows that overall wholesale prices would have soared 0.8 percent instead of 0.2 percent in September if the yen had not appreciated against the dollar.

But the bank warned that the effect of soaring petroleum product prices on other products could cause "home-made" or domestic factor-driven inflation in the future. The bank said it will continue watching for moves to take advantage of high oil prices to increase prices of other products.

One central bank official said that the shock of higher oil prices has yet to ripple through the Japanese economy.

In September, the dollar averaged 139.04 yen, down 5.7 percent from August but up 4.2 percent from the year-earlier period, according to the bank.

Import wholesale prices shot up 7.9 percent in terms of currencies used in contracts, mostly the U.S. dollar, and 3.8 percent in yen terms in September from the previous month.

On a year-on-year basis, yen-based import prices showed a 6.1 percent jump, the bank said. Bank officials said import prices would have increased much more if the yen had not appreciated as much as it did against the dollar.

## Baghdad May Allow 'Ailing' Japanese To Leave

*OW1310162590 Tokyo KYODO in English 1612 GMT 13 Oct 90*

[Text] Baghdad, Oct. 13 (KYODO)—Japanese Ambassador to Baghdad Kunio Katakura said Saturday ailing Japanese held in Iraq are likely to be allowed to leave the country soon. A total of 323 Japanese, including 141 men held hostage by the Iraqi authorities at industrial and military facilities, are being detained in Iraq, and 43 of them are believed to be sick.

Katakura said at a press conference at the Japanese Embassy in Baghdad that the embassy is awaiting signals from Iraqi authorities on when they will grant exit permits to the ailing Japanese. Katakura did not specify how many Japanese are ill or when they will be allowed to leave Iraq.

A sick Japanese businessman was allowed to leave Iraq in late August along with 69 Japanese women and children. Since then, the Iraqi authorities have refused demands to allow several ailing Japanese to leave.

## Diplomat Says U.S. Farm Proposal No Surprise

*OW1510225190 Tokyo KYODO in English 1558 GMT 15 Oct 90*

[By Shiro Yoneyama]

[Text] Washington, Oct. 15 (KYODO)—The United States unveiled a global farm trade proposal Monday calling for a tariff rate of below 50 percent on such commodities as rice, the import of which Japan virtually bans.

U.S. Trade Representative [USTR] Carla Hills's office said the proposal calls for converting all nontariff import barriers, such as Japan's near total ban on rice imports, into tariffs. These new, binding tariffs, along with all existing tariffs, should be cut by an average 75 percent over a 10-year period starting in 1991, the office said.

The U.S. proposal also urges reductions of export subsidies by 90 percent over a 10-year period. Export subsidies have been a source of a marathon dispute between

the U.S. and the 12-nation European Community, hampering progress in global trade talks on other important sectors such as textiles, services, and dispute settlement mechanisms.

"The newly converted and existing tariffs would be reduced by an average of 75 percent over 10 years, with a final ceiling rate not to exceed 50 percent," the U.S. proposal says.

"For products currently subject to nontariff import barriers, minimum access commitments would be set and subsequently expanded by 75 percent over 10 years using a tariff rate quota transitional mechanism," the USTR's office said in an announcement.

According to U.S. and other international studies, Japan's rice import restrictions would be equivalent to a tariff of as high as 700 percent.

The U.S. presented its farm trade proposal in Geneva, where some 100 countries have been engaged in the four-year Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT).

Japan has already submitted its own agricultural trade reform plan, but it was bitterly criticized by the United States, the EC and Canada during a quadrilateral trade ministers' meeting in St. John's, Canada, on October 11-13.

In addition to substantial reductions in export subsidies and import barriers, the U.S. proposal also seeks a 75 percent reduction in "the most trade-distorting internal support measures" over a 10- year period. Other trade-distorting measures should be trimmed by 30 percent, the U.S. proposal says.

Furthermore, the USTR office said, the U.S. is working with other countries to reach agreement on removing "sanitary barriers" based on a draft text proposed by Aart Dezeeuw, chairman of the GATT Agricultural Negotiating Group.

The EC recently was forced to shelve its internal proposal for a 30 percent cut in export subsidies due to stiff opposition from some member countries.

EC Vice President Frans Andriessen told the four-way trade ministers' meeting in Canada that the EC will submit its farm reform proposal in Geneva later this week. During the quadrilateral meeting, the trade ministers agreed to work with other Uruguay Round partners to conclude the four-year GATT round by the December deadline.

The U.S. farm proposal came as the Japanese Government was trying to defuse a dispute over a newspaper report that International Trade and Industry Minister Kabun Muto had promised concessions on rice imports to the United States.

A senior Japanese diplomat said the U.S. farm reform proposal did not surprise him. He said the controversy over Muto's alleged remark on rice imports to U.S. Secretary of State James Baker on October 9 has quieted down.

While insisting that he was not familiar with details of the U.S. proposal, he said the Japanese Government is closely watching what kind of an agricultural package the EC will present to GATT.

The U.S. rejected two domestic rice industry petitions against Japan's rice import curbs in 1986 and 1988, saying the Uruguay Round is a more appropriate forum than bilateral talks to seek the opening of the Japanese rice market.

Hills told reporters during the quadrilateral meeting that the EC boosted its trade-distorting export subsidies to 12 billion dollars last year from 9 billion dollars in 1988.

"The objective of this new U.S. proposal is the same as that of previous submissions: to begin the process of fundamental agricultural reform that will lead to a more fair and market-oriented agricultural trading system," her office said.

"The current agricultural trading system is plagued by government price incentives that lead to surplus production, subsidized disposal of these surpluses on world markets, and import barriers that lead to the misallocation of resources, reduce the level of food purchases and limit consumer choice."

### Farm Minister Says U.S. Rice Stand 'Severe'

*OW1610064890 Tokyo NHK General Television Network in Japanese 0300 GMT 16 Oct 90*

[Text] Regarding the U.S. proposal on reduction of agricultural protection measures, which was the focal issue at the Uruguay round of multilateral trade talks, U.S. Trade Representative Hills strongly demanded that Japan liberalize its rice market.

The U.S. proposal submitted on 15 October calls for converting all protective measures on agricultural products into tariffs, which will be cut by 75 percent over a 10-year period starting next year, and set the tariff rate ceiling at a maximum 50 percent after 10 years.

In this connection, U.S. Trade Representative Hills said at a news conference that this proposal establishes three percent of Japan's domestic rice consumption as minimum access for the lowest quantity of imported rice. She thus clarified that the proposal is designed to demand that Japan import a minimum 30 tons of rice per year. She also said that it would become a breakthrough in the negotiations should Japan open up even one percent of its rice market. Thus, she strongly demanded that Japan open its rice market on a preferential basis.

In this regard, Yamamoto, minister of agriculture, forestry, and fisheries, said that the U.S. proposal was a compilation of U.S. demands made so far. Since the

United States is an exporter and Japan is an importer of agricultural products, there are naturally significant differences between U.S. and Japanese proposals. He said the latest U.S. proposal is very severe toward Japan which is refusing to liberalize its rice market. He then stressed that Japan will, as in the past, continue negotiations from the standpoint of those nations that import agricultural products.

## Yanayev Reiterates No Guarantee on Islands

*OW1210151490 Tokyo KYODO in English 1434 GMT 12 Oct 90*

[Text] Tokyo, Oct. 12 KYODO—A Soviet Communist Party Politburo member reiterated Friday that the 1956 Japan-Soviet joint declaration providing for the return of two of four Soviet-held islands to Japan could be the basis for a bilateral peace treaty, but suggested it does not guarantee their immediate return.

Gennadiy Yanayev, a party secretary and Politburo member responsible for international affairs, made similar remarks in an interview with KYODO News Service on Tuesday.

Yanayev, speaking to members of the ruling Liberal Democratic Party (LDP) at the party headquarters Friday, said Japan should abandon its "all or nothing" way of thinking to resolve the territorial issue, which has long stood in the way of concluding a Japan-Soviet peace treaty.

In the 1956 Japan-Soviet joint declaration, Moscow agreed to return Shikotan and the Habomais, two of the four islands east of Japan's northernmost major island of Hokkaido. The Soviet Union has occupied the islands since the end of World War II along with two larger islands, Etorofu and Kunashiri.

Japan has maintained that Shikotan and the Habomais should be returned if the 1956 declaration is the basis for bilateral negotiations to conclude a peace treaty.

Yanayev said the principles contained in the declaration must be reviewed to see if they still apply to the current situation before they are used as the basis for negotiations on a treaty. He said, however, that he did not mean to deny the possibility that all issues relating to the declaration can be solved.

He also said President Mikhail Gorbachev, "unlike Santa Claus at Christmas time," should not be expected to bring solutions to all bilateral problems with him when he visits Japan next April.

Yanayev also met LDP Secretary General Ichiro Ozawa at the party headquarters and called for development in Japan-Soviet relations with Gorbachev's visit to Japan.

## Compromise on Islands Ruled Out

*OW1610105890 Tokyo KYODO in English 1040 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—Any attempt by the Soviet Union to resolve its territorial dispute with Japan by returning only two of the four disputed islands or setting them aside for the joint use of the two countries would be "impossible" to accept, a Foreign Ministry spokesman said Tuesday.

"In order to resolve the northern territories problem, it is indispensable that all four islands be returned," spokesman Taizo Watanabe told Japanese reporters. "Any two-island or joint-use scenario is impossible, that's our position," Watanabe said.

Watanabe was reacting to Soviet Foreign Minister Eduard Shevardnadze's remarks Monday in the Supreme Soviet that Moscow is not considering the transfer of the islands to Japan, but that they could be jointly utilized economically by the two countries.

The spokesman was also alluding to remarks by prominent Japanese politicians earlier this month that they had been informed by Soviet officials that Moscow would be willing to resurrect a since-disavowed 1956 declaration providing for the transfer of two islands in the disputed group.

The Soviets seized the four islands, which Japan refers to as its inherent "northern territories," at the end of World War II.

Watanabe called on the Soviets to begin seriously considering the return of all four islands ahead of Soviet President Mikhail Gorbachev's scheduled visit to Japan in mid-April.

## Dailies Welcome Gorbachev Nobel Peace Award

*OW1610035290 Tokyo KYODO in English 0136 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—Two of Japan's major dailies on Tuesday welcomed the awarding of the 1990 Nobel Peace Prize to Soviet President Mikhail Gorbachev and expressed hopes that Gorbachev and the Soviet citizenry will manage to overcome their domestic difficulties and effect perestroyka reforms.

In its editorial, the YOMIURI SHIMBUN said that changes initiated by Gorbachev have brought about a peaceful chain reaction hailed by the whole world. Gorbachev abandoned the Soviet Union's traditionally hostile policies toward Western capitalist nations and embarked on rebuilding the crumbling Soviet economy, drawing upon lessons learned from Western-style democracy and the free market economy, it said.

The policies promoted by the Kremlin leader have dramatically changed East-West relations and helped

democratic reforms in Eastern Europe and the unification of the two Germanys, the mass circulation daily said.

The YOMIURI editorial said that it hopes the Soviet leader and the Soviet people will see the awarding of the Nobel Peace Prize to Gorbachev as encouragement from the world at large and strive for further progress in their reforms. It also expressed the hope that relations between Japan and the Soviet Union will dramatically improve under the "new thinking" diplomacy and Gorbachev's initiatives.

The ASAHI SHIMBUN said in its editorial that no one is more deserving of this year's Nobel Peace Prize than Gorbachev, who freed the Soviet Union from an ideological spell, encouraged major democratic changes in many parts of the world, and promoted greater detente in East-West relations.

Gorbachev has inspired confidence and sympathy within the Western world and paved the way for epoch-making reductions in both nuclear and conventional arms, the ASAHI said. "We cannot forget how his achievements have caused dramatic changes in Eastern Europe," it said.

However, Gorbachev's reform measures have failed to bear fruit within the Soviet Union and they face many difficulties. In this sense, the award of the Nobel Peace Prize to Gorbachev is viewed as a form of international support for continued reform efforts, the ASAHI editorial said.

## Experts To Be Sent to PRC Nuclear Station

*OW1410114290 Tokyo KYODO in English 1118 GMT 14 Oct 90*

[Text] Tokyo, Oct. 14 KYODO—The Japanese Federation of Electric Power Companies has decided to send three experts on nuclear power generation to China in December to offer technological advice and guidance for China's first atomic power generation, industry sources said Sunday. The federation responded to China's request for such Japanese experts for the 300,000-kilowatt pressurized water reactor nuclear power station, the sources said.

China plans to start operation of the Qinshan nuclear power station in Haiyan Prefecture in Zhejiang Province south of Shanghai in the autumn of next year, the sources said.

China started to build the first reactor at the nuclear power station in 1984 and the work is almost completed. Fuel rod is expected to be inserted probably next February for the planned start of operation in autumn, the sources said.

The three Japanese experts will be selected from the Hokkaido Electric Power Co., Kyushu Electric Power Co., and the Japan Atomic Power Co., the sources said.

China reportedly has strong expectations in atomic power generation to cope with the chronic shortage of electricity under the current industrial modernization. Construction is under way on the first and second pressurized water reactors with capacity of 900,000 kilowatts each in Guangdong Province.

China has also disclosed an additional plan to build two more reactors of the same type, with capacity of 600,000 kilowatts each, in the Qinshan area of Zhejiang Province.

## Pricing Formula To Be Adopted for PRC Oil

*OW1510132790 Tokyo KYODO in English 1210 GMT 15 Oct 90*

[Text] Tokyo, Oct. 15 KYODO—China's Daqing crude oil will be sold based on market prices rather than through negotiations as it has been so far, starting with October supplies, under an agreement reached Monday between China and a group of Japanese oil refiners, industry sources said.

The sources said the price of Daqing oil, a major grade of Chinese crude, will be set automatically on the basis of the monthly average of the Japanese import prices of two Indonesian crude grades, Sumatra Light (Minas) and Cinta, and their international spot prices. The price of Daqing crude shipped to Japan has so far been determined through negotiations in the following quarter.

The sources said the Chinese initially called for the application of the new pricing formula retroactively to July-September shipments. But the Japanese rejected this. It was finally agreed that supplies in July would be priced at 15.49 dollars per barrel, those in August at 22.50 dollars and those in September at 29.75 dollars.

This is the first time in four years that Daqing crude for supply to Japan has hit 20 dollars or above.

## Joint Auto Venture With ROK in Philippines

*OW1310145990 Tokyo KYODO in English 1305 GMT 13 Oct 90*

[Text] Tokyo, Oct. 13 KYODO—Mazda Motor Corp. is negotiating with KIA Motors Corp. of South Korea on a joint venture to assemble and sell cars in the Philippines, automobile industry sources said Saturday.

The negotiations follow a decision by the South Korean automaker to set up a joint venture with a Philippine car firm to manufacture KIA's 1,200 cc Pride subcompact there in line with the Philippine Government's national car program, the sources said.

Mazda, which has a stake in KIA and supplies engines and other parts to the South Korean automaker, hopes to join the project as a way of entering the Philippine passenger car market, they said. Mazda now assembles small trucks there on a knockdown basis.

Mazda and KIA are expected to reach agreement on the joint venture project as early as next spring in a bid to begin production in 1992 or 1993, according to the sources.

## Suzuki, Hungary To Sign Manufacturing Accord

*OW1510120790 Tokyo KYODO in English 1101 GMT 15 Oct 90*

[Text] Tokyo, Oct. 15 KYODO—Suzuki Motor Corp. said Monday it plans to sign an official joint-venture manufacturing agreement with a Hungarian partner this year to produce subcompact passenger cars in Eastern Europe, after financial details are settled between the investors.

Suzuki Motor, Autokonszern, and a third partner, C. Itoh and Co., will review details of the agreement when an investigation team from International Finance Corp. (IFC), a World Bank affiliate, arrives in Japan this week. The four groups are expected to review the financial details of the foreign investment, amounting to about 20 billion yen, before concluding a final agreement in November, Suzuki officials said.

Based on the January understanding, both companies were expected to sign an official joint-venture accord in summer to start up production in Hungary of Suzuki's subcompact, 5-door, Cultus 1000-1300 cc [cubic centimeter] models in 1992, officials said.

In addition, Autokonszern was expected to have a 50 percent equity stake, while Suzuki, C. Itoh and the IFC would hold the rest, they said.

But delays evolving from a newly elected Hungarian administration, a slow review process by the IFC and Autokonszern's aim to gain foreign currency exchange advantages through the venture, almost ruined any possibility of a future agreement, officials added.

Finally, all parties agreed that Autokonszern, made up of 50 participating Hungarian firms, would have a 40 percent interest in the new company, and Suzuki and its partners would gain a 60 percent equity stake, officials said.

Moreover, the joint-venture firm will not be required to pay corporate taxes to the Hungarian Government, provided the three partners support an automobile export drive for the company, officials added.

According to Suzuki officials, the joint venture firm will begin production in the latter half of 1992, with production capacity increasing from 15,000 cars the first year to 50,000 vehicles three year later. Locally produced components will make up 30 percent of parts and equipment the first year of production and later be increased to about 70 percent, officials added.

## Daily Poll Shows Decline in Kaifu Popularity

*OW1510011590 Tokyo KYODO in English 2322 GMT 14 Oct 90*

[Text] Tokyo, Oct. 15 KYODO—The cabinet of Prime Minister Toshiki Kaifu suffered a decline in the public support rating for the first time since he became prime minister in August 1989, the NIHON KEIZAI SHIMBUN newspaper said in a poll published Monday.

The poll by the leading financial daily said the support rating declined to 46.1 percent from 51.7 percent in June. Those who did not support the cabinet came to 30.7 percent, up from 23.7 percent. The report blamed the decline in Kaifu's popularity chiefly on his slow leadership in working out Japan's response to the Persian Gulf crisis.

Meanwhile, nearly half the Japanese voters polled opposed the sending abroad of Self-Defense Forces (SDF) personnel as proposed by the cabinet as part of Japan's contributions to international efforts to restore peace in the Gulf.

The Nikkei survey, taken October 5-8, covered 10,000 out of the country's 90 million voters, of whom 6,140 responded.

Kaifu's Liberal Democratic Party has won a support rating of 49.7 percent, up from 48.3 percent, while the Japan Socialist Party (JSP), the main opposition group, garnered 21.1 percent, down from 25.1 percent.

The poll also said 48.5 percent opposed the sending of SDF personnel abroad, compared with 39.8 percent who supported it.

It said 38.4 percent opposed the proposed U.N. peace cooperation bill which is aimed at incorporating SDF members into a peace corps to assist U.N. peacekeeping forces, compared with 23.1 percent who supported it.

Asked about relations with North Korea, 19.7 percent favored an early establishment of diplomatic ties, while 51.9 percent called for full respect to South Korea in promoting ties with Pyongyang, the Nikkei poll said.

## United Social Democrats Seek Opposition Merger

*OW1310121490 Tokyo KYODO in English 0749 GMT 13 Oct 90*

[Text] Tokyo, Oct. 13 KYODO—The minor opposition party United Social Democratic Party [USDP] proposed Saturday a merger of all noncommunist opposition parties into a unified front, tentatively called the Social Democratic Party. Satsuki Eda, leader of the USDP, said his party is ready to disband itself if the opposition camp can achieve unity.

The USDP occupies four seats in the 512-seat House of Representatives. The four USDP members currently are in coalition with a conservative splinter to form the intra-parliamentary Shimpo Minshu Rengo.

Eda, speaking at a meeting of USDP representatives from across the country, said the opposition parties need to overcome differences and to strengthen solidarity. Eda said if the opposition parties can be merged into the proposed Social Democratic Party it must aim at taking over power from the Liberal Democratic Party [LDP] in the early 1990s.

The new party should maintain security arrangements with the United States and allow the Self-Defense Forces [SDF] to continue to exist as a force protecting Japan's territory, air space and territorial waters, he said.

The three major opposition parties—the Japan Socialist Party [JSP], Komeito and the Democratic Socialist Party [DSP]—have remained apart over security and defense, atomic energy and Korean peninsula policies.

The JSP, the country's No. 1 opposition party, has argued for scrapping the 1960 Japan-U.S. Security Treaty and the SDF, while Komeito and the DSP insist on maintaining them.

The LDP presently controls a stable majority of 284 seats in the powerful lower chamber, compared with 139 for the JSP, 46 for Komeito, 16 for the Japan Communist Party, 14 for the DSP, five for Shimpo Minshu Rengo, seven independents and one vacancy.

## 94 Flights To Be Cancelled for Enthronement

*OW1610125690 Tokyo KYODO in English 1225 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—A total of 94 domestic flights will be cancelled shortly before and after the enthronement of Emperor Akihito on November 12 to make room for special flights carrying foreign dignitaries, Transport Ministry officials said Tuesday. The cancellation will occur on November 10, 11, and 14, the officials said.

Foreign dignitaries from about 150 countries and organizations are scheduled to attend the enthronement ceremony. Missions from some 30 countries plan to come on special flights, the officials said.

Special flights arrive at Haneda Airport in Tokyo. The Defense Agency will transfer dignitaries who arrive at the new Tokyo International Airport in Narita, 50 kilometers east of Tokyo, to central Tokyo by helicopters and YS-11 turboprop planes, they said.

Haneda Airport is filled to capacity by regular flights, so the ministry has asked airlines to cancel 94 flights to make way for the dignitaries, they said. The ministry also has urged airports across the country to tighten security during the period.

## Anti-Airport Activists in Protest Arrested

*OW1510085990 Tokyo KYODO in English 0836 GMT 15 Oct 90*

[Text] Narita, Chiba Pref., Oct. 15 KYODO—Two members of a radical group were arrested near Narita Airport on Monday when they battled authorities who tried to demolish their fort, a symbol of the group's support for farmers opposed to an airport expansion project.

Some 100 Transport Ministry and airport officials, defended by a force of 7,500 riot police, were mobilized to remove a two-story hut built by the radical group, Revolutionary Workers' Council (Kakurokyo) in 1968.

When the two Kakurokyo members resisted the authorities, riot police stormed in with specialty ladders, encasing the hut in a steel cage. Then the two activists were arrested. The two helmeted radicals in the 90-square meter hut hurled stones at the riot police officials, who then poured water at the pair.

The authorities' operation to forcibly dismantle the anti-airport fort is based on a special security law for the New Tokyo International Airport, and the fifth since December.

Three farmers' groups owning land near the airport object to plans by the Transport Ministry to build one 2,500-meter runway and another 3,000-meter runway on their farmlands. At present there is inadequate runway capacity for growing air traffic at the airport. The Narita Airport was opened in May 1978, and has only a 4,000-meter runway. The authorities must acquire land held by the anti-airport farmers for the expansion.

Kakurokyo supports a farmers' group of the Sanrizuka-Shibayama Anti-Airport League, who has fought the airport construction over the past 25 years.

In a new move, another anti-airport farmers' group said Monday it will propose to form a liaison council with authorities to discuss the airport expansion issue.

## Central Bank Governor Welcomes Yen Rise

*OW1510072190 Tokyo KYODO in English 0541 GMT 15 Oct 90*

[Text] Tokyo, Oct. 15 KYODO— Bank of Japan (BOJ) Governor Yasushi Mieno said Monday the yen's recent rise against the U.S. dollar is desirable for the correction of Japan's external trade imbalances. He made the remark in a question-and-answer session after making a speech at the Japan National Press Club in downtown Tokyo.

While some currency market participants are concerned about too steep a drop of the dollar against other major currencies, the dominant view in the market is that such a fall of the U.S. currency is unlikely. But the current pace of the yen's rise seems a bit too fast, Mieno said.

In his speech, Mieno said it is "extremely important" to pursue a monetary policy that will prevent the resurgence of inflation. He warned that the Japanese economy will turn down sharply if inflation is left unchecked.

The effects of higher personnel costs and the rise in crude oil prices will begin to be felt from now on, Mieno said, adding that the nation's underlying price trends are still stable under the effect of a series of hikes in the official discount rate. The stable tendency will not change significantly, he said.

It is important to prevent home-generated inflation, Mieno said. If this goal is achieved, economic growth will not slow down, he said.

Referring to real estate lending by financial institutions, the central bank governor emphasized that those institutions need to exercise prudence in extending such loans, and should seek to ensure sound management.

## MITI Report on Exports, Imports Released

*OW1510092490 Tokyo KYODO in English 0715 GMT 15 Oct 90*

[Text] Tokyo, Oct. 15 KYODO—Japan's exports on a contract basis in September edged down 0.8 percent from a year earlier to total 23.19 billion dollars, posting the first year-on-year decline in three months, the Ministry of International Trade and Industry (MITI) reported Monday.

Imports rose 9.2 percent to 15.89 billion dollars, MITI said.

Exports of steel products and computers fell sharply, while those of ships and television sets climbed.

By region, exports to North America and communist countries slipped, while sales to the European Community (EC) and Africa posted marked gains. Japan exported 7.76 billion dollars worth of goods to North America, down 9.7 percent from the year-earlier level.

Japan imported much more meat, crude oil, and medicine, in terms of value, than in September last year. But imports of wheat, pulp, and office machinery dropped substantially.

Imports from the EC and Latin America swelled by more than 20 percent, while those from Africa slumped sharply. Japan imported 3.60 billion dollars worth of products from North America, up 7.8 percent from a year before.

## Firms Make Efforts To Cut Energy Consumption

*OW1610123290 Tokyo KYODO in English 1131 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—More than 90 percent of companies responding to a survey on energy saving efforts said they are setting air conditioners at higher temperatures and turning off unused lights, an energy conservation group reported Tuesday.

Among 1,654 companies engaged in production activities which answered the group's questionnaire, 200 or 12.4 percent said they recently took such measures as cutting of machine operation hours and installation of some kind of heat collection and utilization facility to tap the heat generated by their machines.

Together with 1,221 companies which said they had already taken such energy saving steps earlier, this means 88.3 percent of the surveyed companies were concerned about energy saving, the nonprofit Energy Conservation Center said.

The survey showed that one widespread approach to energy conservation is to raise the temperatures at which air conditioners are set; 1,127 companies or 73.2 percent of the respondents said they have started to set air conditioners higher than usual, or about 28 degrees c.

Those saying that they turn off lights close to windows or during the lunch breaks came to 90.9 percent.

However, 188 companies or 11.7 percent said they are not currently taking any measures. Some of these said they would consider doing so after monitoring further movement of oil prices, according to the report.

Some of them said they were unable to cut energy consumption because of the possible slowdown of production, at a time when a strong domestic economy is creating large demand, the report added.

The survey was conducted to see how Japanese companies are cooperating with a government call for energy saving made on August 13, the group said.

## Worker Shortage Expected To Hit 520,000 by 1995

*OW1610120590 Tokyo KYODO in English 1126 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—Japan will face a shortage of about 520,000 workers in 1995 and 9.1 million in 2010, a threat that could cripple its economic growth, the Labor Ministry said Tuesday.

The ministry estimated that the labor shortfall in 2010 will stand at 1.86 million, even if women and aged people are fully put on the payroll. "If Japan fails to immediately cope with the problem, it will put a damper on Japan's economic growth," the ministry warned in a report.

The figures are based on a government forecast of 4.0 percent growth for fiscal 1990 and the 1985 census, which put annual population growth at 1.8 percent.

Analysts called the ministry's estimates conservative, since the report did not take into account the recent trends of shorter working hours and a lower birth rate.

The report also discussed the possible impact of the labor crunch on the Japanese economy in three scenarios.

In the first scenario, in which companies make fuller use of laborers such as women and the aged, the Japanese economy is expected to maintain its economic growth to a certain extent, but would eventually run into trouble once demand exceeds the new supply of workers.

The second picture, in which the supply-demand imbalance in the labor market continues predicts zero growth for the Japanese economy from 1995-2000 and contraction thereafter.

Even if the shortage can be covered by improved productivity, as seen in the third scenario, the report said, wage increases could not keep up with growing productivity, leaving economic growth on the wane.

### Deadline To Stabilize Carbon Dioxide Emissions

*OW1610091590 Tokyo KYODO in English 0808 GMT 16 Oct 90*

[Text] Tokyo, Oct. 16 KYODO—Japan plans to stabilize its carbon dioxide emissions at this year's level by the year 2000, Environment Agency Director General Ishimatsu Kitagawa said Tuesday.

Kitagawa told a press conference after a regular cabinet meeting that he is determined to achieve the target of stabilizing the level of emissions of the gas—a cause of global warming—adding that Japan needs to present a positive policy at an upcoming international climate conference in November.

The agency, in conjunction with the Ministry of International Trade and Industry (MITI) is now finalizing the target for emissions of the gas in the action program to prevent global warming, which the government is expected to authorize next Tuesday. MITI insists that an increase to 16 percent above the 1988 level is unavoidable by 2000.

Meanwhile, in Bangkok, a representative of the European Community (EC) told an environmental conference of the Economic and Social Commission for Asia and the Pacific (ESCAP) that the EC also aims to freeze carbon dioxide emissions at the current level by 2000 or 2005, agency officials said.

It is the first time that the EC has announced a collective European target on reduction of carbon dioxide emissions. The EC is expected to officially approve the target before the end of the year with a condition that the United States implement similar measures, the Japanese officials said, quoting reports from Bangkok.

## Mongolia

### President Ochirbat Begins Cross-Country Tour

*OW1410101690 Ulaanbaatar International Service in English 0910 GMT 12 Oct 90*

[Text] President of Mongolia Punsalmaagiyn Ochirbat started his first cross-country tour from Suhbaatar Aymag in northern Mongolia. He met large (?crowds) and asked about their living and working conditions. At a meeting with the local population, the president noted that the renewal in economic and spiritual sphere of the society is envitably (?interrelated) for Mongolia. He also said that over the past period of the renewal processes, the people of Mongolia have demonstrated to the entire world that they are able to take care of the national unity in very complicated situation.

The Mongolian president noted that a [words indistinct] of the people and the natural resources of the country will open up fine prospects before the country.

### Discusses Trade With PRC

*OW1410104690 Ulaanbaatar International Service in English 0910 GMT 13 Oct 90*

[Text] President of Mongolia Punsalmaagiyn Ochirbat continues his cross-country tour. In southeastern Mongolian province Suhbaatar, which is contiguous with China, the president had a talk with the inhabitants of some districts of this province. The sides have discussed questions of border trade with China, perfection of the state government structure, and mobilization of home resources with expansion of production.

### P. Ochirbat Interviewed on New State Structure

*OW1610083090 Ulaanbaatar International Service in English 0910 GMT 15 Oct 90*

[Summarization of interview with President Punsalmaagiyn Ochirbat on the new state structure; place and date not given]

[Text] As a result of the accelerated renewal processes, a new system of state structure was formed in Mongolia. There was passed a law on political parties, and by now there are officially functioning six political parties in this country. For the first time in the country's history, we have held democratic and free elections and instituted the new highest legislative body, the State Small Hural, functioning like a parliament. Thus the presidential parliamentary rule was, for the first time, established in this country, says Mr. Ochirbat.

The newly formed State Small Hural held its first session and managed to approve the cabinet-style government, the state procurator office, and a supreme court staff after long and heated deliberations. It was a good school of learning democracy. Now we confront a very responsible and complicated task of consolidating the newly set up people's power bodies and reviewing all basic laws

and regulations of a law-governed state. In part we have to work out such a constitution that would serve the cause of consolidating the progressive transformations developed as a result of the latest democratic processes, as well as some laws and regulations suiting the spirit of the market economy we are switching over to, says the president.

Then Mr. President shared his considerations about getting the country out of the political and economic crisis.

We have increasingly managed to form the supreme state governing bodies. The next thing to be done is to make some reorganization in local primary political organizations. Another thing I would like to mention here is that political renewal must be consolidated with socioeconomic transformations. Proceeding from these considerations of the reality, we have to come over to market economy, ensure all possibilities of developing fully the abilities of individuals, promoting their free development, and granting ever more autonomy to state-maintained enterprises and private owners. I hope that the newly formed State Small Hural and the new cabinet will have to do a lot for getting the country out of political and economic crisis. They have done first positive moves towards this end, notes the president.

From ancient times, the Mongols have been developing the traditions of respecting and preserving the might of the state. So Mr. President further comments on this subject which is lately much talked about.

Now to be a powerful state is a relative notion. I think we're talking about the state apparatus capable to do everything for bettering the people's life, maintaining the national unity for the progress and security of the nation. The guarantee of powerfulness is seen in the respect for the state and the government. Regretfully, the wonderful traditions of our ancestors for the state power had for a long time been neglected and even forgotten to some extent. Lately, we talk much about bad discipline and order which naturally result in the development of many negative social phenomena. This problem, we think, could be settled through the restoration of our good Mongol traditions, notes the president.

## North Korea

### Seoul's Delegation Travels North for Talks

*SK1610010890 Pyongyang Domestic Service in Korean 0044 GMT 16 Oct 90*

[Text) The South side's delegation to the second North-South High-Level Talks entered into our area via Panmunjom at 0900 this morning. The South side's delegation led by senior delegate Kang Yong-hun, suite members, and reporters came.

An Pyong-su, delegate of our side to the North-South High-Level Talks and director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, and other members of our side received the South side's senior delegate and delegates. Members of the children's union presented wreaths to the South side's senior delegate and delegates. The South side's delegates were welcomed by workers along streets in Kaesong.

### Delegation Arrives in Pyongyang

*SK1610051690 Pyongyang Domestic Service in Korean 0457 GMT 16 Oct 90*

[Text] The South side's delegation to the second North-South High-Level Talks and its entourage members arrived in Pyongyang by train at 0120 this afternoon. The delegation and its entourage members were headed for the lodgings amid warm welcome from the citizens. The South side members entered our area via Panmunjom at 0900 this morning.

Kim Kwang-chin, general of the Korean People's Army [KPA]; An Pyong-su, director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland and spokesman for our side's delegation; Paek Nam-chun, chief of the Councillors' Office of the Administration Council; Kim Chong-u, vice-minister of external economic affairs; Choe U-chin, ambassador at large of the Foreign Ministry; and Kim Yong-chol, major general of the KPA, all of whom are members of our side's delegation to the North-South High-Level Talks, came to accompany the South side's delegation.

### Official on Proposals for Talks

*OW1610132490 Tokyo NHK General Television Network in Japanese 1000 GMT 16 Oct 90*

[Text] ROK Prime Minister Kang Yong-hun and his company arrived in Pyongyang this afternoon to attend the second round of North-South premier-level talks between the ROK and the DPRK.

Meanwhile, Kim Yong-sun, secretary of the DPRK's Workers Party of Korea [WPK], met with Japanese reporters and clarified the position of the DPRK side in attending the premier-level talks opening tomorrow. He said the DPRK side will again call on the ROK side to halt the Team Spirit U.S.-ROK military exercises.

Here is a report by reporter Miyao from Pyongyang:

[Begin recording] [Miyao] [video shows Miyao standing in a street in front of the Pyongyang railway station] Members of the ROK party led by Prime Minister Kang Yong-hun, who arrived in Pyongyang today, numbering 90 in all, including seven delegates who will participate in the premier-level talks and their entourage and the press corps.

After leaving for Pyongyang by a special train through Pangmunjom this morning, the party arrived at the Pyongyang railway station at a little past 1300 and was met by DPRK officials.

The ROK party arrived in Pyongyang quietly. There were no citizens on hand to welcome it, unlike in Seoul during the first round of the premier-level talks last month.

Meanwhile, WPK Secretary Kim Yong-sun, who is in charge of international affairs, granted an interview to the Japanese press corps today.

[Kim Yong-sun in Korean with Japanese translation provided by subtitles] [Video shows Kim meeting with an unidentified man at the entrance of an undisclosed office, cutting to closeup shots of Kim speaking] First, we propose that the Team Spirit joint military exercises, which are conducted every year, be halted. Although talks have been held through various channels thus far, they were interrupted each time in connection with the conduct of the Team Spirit joint military exercise.

Second, we propose that people who visited the North be released. This time, even the ROK premier came to Pyongyang. If this is the case, their visit to the North should not constitute a crime. So, we proposed that we overcome these various obstacles that lie in the way of North-South dialogue. These include the National Security Act.

Third, we propose to discuss the question of joining the United Nations in a single seat. We hope to see good results produced in connection with these questions.

[Miyao] In response, the ROK side is expected to reject these demands. [End recording]

## Foreign Affairs Committee Chief 'Seriously Ill'

*OW1610100690 Tokyo KYODO in English 0935 GMT 16 Oct 90*

[Text] Panmunjom, Korea, Oct. 16 KYODO—Ho Tam, North Korea's former foreign minister and chairman of the Foreign Affairs Committee in the Supreme People's Assembly, is seriously ill and has been on leave from his official duties, informed North Korean sources said Tuesday.

Ho, also chairman of the Committee for the Peaceful Reunification of the Fatherland, has not appeared in public since the end of June.

The sources said Ho suffers from serious diabetes.

Radio Pyongyang referred on October 8 to Yun Ki-pok serving as chairman of the reunification committee, suggesting Ho's dismissal or retirement.

But the radio station retracted the report three days later, saying Yun is actually vice chairman of the committee.

## 'Friendship, Solidarity' Groups Issue Appeal

*SK1310224990 Pyongyang KCNA in English 1518 GMT 13 Oct 90*

[Text] Kaesong October 12 (KCNA)—A meeting for solidarity with the Korean people in their struggle for the reunification and peace of the country was held here Friday with the participation of delegations and delegates of organizations for friendship and solidarity with the Korean people and international and regional organizations who had participated in the celebrations of the 45th founding anniversary of the Workers' Party of Korea [WPK], and tens of thousands of working people in the city.

Speaking at the meeting Honorary Chairman of the World Peace Council Romesh Chandra said that the struggle for the peaceful reunification of Korea has entered a new stage of its development and that no barrier can dampen the Korean people's desire for reunification.

Gilberto Zapata Isaza, secretary general of the Latin American and Caribbean Regional Committee to support the reunification of Korea, stressed in his speech that Korea must be reunified on the basis of the three principles of national reunification and by means of founding the democratic confederal republic of Koryo [DCRK].

Musa Kabia, chairman of the Sierra Leone-Korea friendship society, expressed full support for the five-point policy of national reunification laid down by the great President Kim Il-song.

Jaya Pathchana, president of the Sri Lanka Committee for the Reunification of Korea, said Korea is advancing in high spirits under the banner of socialism, which inspires all of us. Korea should be reunified independently and peacefully, he added.

Dianne Mathiowets, coordinator in the South of the U.S. Get Out of Korea Committee, said beautiful Korea is now divided by the concrete wall and bitterly denounced the one responsible for the division.

Anna-Liisa Jokinen, secretary general of the Finnish Solidarity Committee for Korea's Reunification, stressed that the chief obstacle to Korean reunification is the U.S. Forces' occupation of South Korea and denounced the United States for trying to keep Korea divided into "two Koreas" indefinitely.

Kim Ki-son, chief secretary of the Kaesong Municipal Committee of the Workers' Party of Korea and chairman of the Kaesong Municipal People's Committee, recalled that foreign delegates expressed full support for our proposals and policy of national reunification. This is a great inspiration to the entire Korean people in the North and the South in their struggle for the independent and peaceful reunification of the country, he noted, and stressed:

The Korean people will surely accomplish the historical cause of national reunification in the 1990s with concerted efforts of the nation.

An appeal to the governments, political parties and public organizations of all countries, international organizations and peaceloving people was adopted at the meeting.

It says:

Let us strongly urge the United States and the South Korean authorities to accept the peace overtures for the adoption of a nonaggression declaration between the North and the South of Korea, the signing of a peace agreement between the DPRK and the United States and reduction of the armed forces to less than 100,000 men in the two halves of Korea and to get the nuclear weapons and the U.S. forces out of South Korea at an early date.

Let us put worldwide pressure on the South Korean authorities to tear down the concrete wall, abolish the "National Security Law" and other anti-reunification laws and immediately release Rev.[Reverend] Mun Ik-hwan, woman student Yim Su-kyong, Father Mun Kyu-hyon and other people who visited the North, patriotic people and students with a view to realising free travel between the North and the South and creating a phase favourable to national reunification.

Let us reject the separatists' "two Koreas" plot including the scheme for "unilateral U.N. membership" intended to legalize Korean division internationally and screw up confrontation between the North and the South.

Let us strongly demand an end to the "Team Spirit" joint military exercises and other large-scale military manoeuvres that heighten tension and increase the danger of a nuclear war on the Korean peninsula and throw a wet blanket over inter-Korean dialogue.

The most reasonable way for the independent and peaceful reunification of Korea is to establish the democratic confederal republic of Koryo.

We earnestly call on the governments, political parties and public organizations of all countries of the world, international organizations and peaceloving people to further strengthen international solidarity for an earlier accomplishment of the Korean people's just cause of national reunification through the founding the DCRK.

After the meeting, the guests marched through the streets amid warm cheers of working people in the city, holding placards reading "Korea is one", "U.S. troops, get out of South Korea!" "Let us pull down the concrete wall!" And "Support for the five-point policy of Korean reunification!"

## N, S Officials Hold Contact on Soccer Games

*SK1610050190 Pyongyang KCNA in English 0434 GMT 16 Oct 90*

[Text] Panmunjom October 15 (KCNA)—A contact between the working officials of the North and the South was held at the conference room of the Neutral Nations Supervisory Commission [NNSC] in Panmunjom on October 15 to discuss our soccer teams' visit to Seoul for the North-South Reunification Soccer Games.

The contact heard the opinion of the south side on the schedule of our soccer teams in Seoul.

At the contact it was decided to meet again at the NNSC conference at 3 P.M. on October 18 and finally confirm the working matters including the schedule of our soccer teams in Seoul.

## Proposed Resumption of N-S Red Cross Contact

*SK1610051790 Pyongyang KCNA in English 0449 GMT 16 Oct 90*

[Text] Pyongyang October 16 (KCNA)—Yi Song-ho, acting chairman of the central committee of the DPRK Red Cross Society, in his telephone message to Kim Sang-hyop, president of the South Korean Red Cross, today proposed the resumption of contact between Red Cross working delegates of North and South.

He in the message said it is an urgent humanitarian and national task which brooks no further delay to lessen the misfortunes and sufferings of the families and relatives living separated in the North and the South and achieve the reunification of the country at the earliest date.

He noted:

As you know, last year the sides had a working-level Red Cross contact and nearly reached an agreement in principle on exchanging the second art troupes and home-visiting groups and reopening the full-dress Red Cross talks.

However, as your side deliberately created difficulties, taking issue with the content of our side's art performance that offered no problem at all, the working-level Red Cross contact has been suspended for nearly one year, the exchange of the second art troupes and home-visiting groups has not yet been realised and the full-dress Red Cross talks remain deadlocked.

We, taking note of your side's attitude expressed recently to reopen the suspended working-level Red Cross contact, propose to resume the contact at the conference room of the Neutral Nations Supervisory Commission in Panmunjom on November 15.

## Seoul University Student Hunger Strike Reported

*SK1310061190 Pyongyang KCNA in English 0530 GMT 13 Oct 90*

[Text] Pyongyang October 13 (KCNA)—Leading members of the General Student Council of Seoul University

and student councils of its colleges started a hunger strike on October 9 for an indefinite period in protest against the surveillance over 387 students of Seoul University by the "[Defense] Security Command", according to a report.

And many students joined them in their hunger strike.

They called a press conference at the office room of the General Student Council before entering the hunger strike. They said there that, with the exposure of the surveillance by the "Security Command", it has been made clear once again that the "present 'regime' maintains itself with the control over and suppression of the people".

They declared that they would actively struggle hand in hand with the forces of the democratic movement for the resignation of the present "government" and the disbandment of the "security planning board", the "Security Command" and the "Police Headquarters".

On the same day the General Student Council of University of Foreign Studies in Seoul held a meeting to demand the dissolution of the "Security Command" and denounce its surveillance over the civilians and declared that it would start a full-scale struggle including an on-street signature collection.

## Report on U.S. Military Presence in Asia

*SK1510110890 Pyongyang KCNA in English*
*1038 GMT 15 Oct 90*

["Brigandish Way of Thinking"—KCNA Headline]

[Text] Pyongyang October 15 (KCNA)—The U.S. deputy defence secretary recently told a newspaper in Tokyo that the U.S. military presence in the Far East will continue as long as "it is necessary and the United States wants it".

This is a provocative outburst fully revealing the brigandish design and shameless and high-handed nature of the imperialist aggressors, says a news analyst of NODONG SINMUN today.

The United States' declaration that it will maintain its military presence in the Far East means that it will keep nuclear weapons and armed forces of the three services for an indefinite period in this region and seek a military purpose against the Asian people, the news analyst notes, and continues:

The U.S. imperialists' aggression forces in the Far East have undertaken in the foremost front the execution of the U.S. anti-socialist Asia-Pacific strategy and the spearhead of its attack is levelled at our republic.

The military action that the United States claims to be "necessary" means a war action against our republic. The U.S. imperialists intend to start another war against the Korean people and, to this end, keep huge aggression forces in the Far East.

It is apparent that the United States, loud-mouthed as it is about "detente", has no intention for this in the Asia-Pacific region.

The United States must withdraw its aggression forces including nuclear weapons from South Korea and all other areas of Asia and the Pacific and this region must be turned into a nuclear-free, peace zone.

## Kim Il-song Sends JSP Condolences on Asukata

*SK1310234990 Pyongyang KCNA in English*
*1615 GMT 12 Oct 90*

[Text] Pyongyang October 12 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, sent a message of condolence today to Takako Doi, chairperson of the central executive committee of the Japan Socialist Party [JSP], over the death of Ichio Asukata, former chairman of the JSP.

The message expressed deep condolences to the Central Executive Committee of the Japan Socialist Party and the bereaved family of Ichio Asukata.

It said: Mr. Ichio Asukata had conducted much activities for the strengthening and development of your party and for the establishment of a nuclear-free, peace zone in Northeast Asia and greatly contributed to the development of the relations of amity and friendship between the Korean and Japanese peoples and the two parties.

Though Mr. Ichio Asukata passed away, the feats performed by him will remain long.

## Han Song-yong Addresses Rally for Cuban Group

*SK1310105090 Pyongyang KCNA in English*
*1029 GMT 13 Oct 90*

[Text] Pyongyang October 13 (KCNA)—A Pyongyang mass rally was held Friday to welcome the delegation of the Communist Party of Cuba headed by Julio Camacho Aguilera, member of the Political Bureau of the Central Committee [CC] of the Communist Party of Cuba [CPC], which had participated in the celebrations of the 45th founding anniversary of the Workers' Party of Korea [WPK].

Speaking first at the meeting, Han Song-yong, member of the Political Bureau and secretary of the C.C., the WPK, said:

The heroic Cuban people under the leadership of the Communist Party of Cuba headed by Comrade Fidel Castro, the supreme leader of the Cuban revolution, were the first to hew the path of socialism in the western hemisphere and have powerfully accelerated the revolution and construction, repulsing the repeated economic blockade and aggression by the U.S. imperialists.

The Korean people sincerely rejoice as over their own over the great achievements made by the revolutionary Cuban people in the revolution and construction,

staunchly defending socialism without the slightest vacillation under whatever difficult conditions, and warmly hail them.

The invincibility and firmness of the militant friendship and solidarity between the Korean and Cuban parties and peoples are unequivocally guaranteed by the close intimacy between the great leader Comrade Kim Il-song and respected Comrade Fidel Castro.

Head of the CPC delegation Julio Camacho Aguilera spoke next:

The imperialists can never obliterate the Korean revolution as there is the Workers' Party of Korea guided by the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il who lead the Korean revolution to victory along the steadfast road of socialism.

The Cuban party and people firmly adhere to the principle that Korea is one and resolutely support and highly estimate the correct policy for the independent and peaceful reunification of Korea put forward by the Workers' Party of Korea.

He also supported the just stand of the Workers' Party of Korea demanding that foreign forces and nuclear weapons be taken out of South Korea.

A get-together with the CPC delegation took place at the Yongsong meat processing plant.

### Delegation Leaves Pyongyang

*SK1510112090 Pyongyang KCNA in English 1055 GMT 15 Oct 90*

[Text] Pyongyang October 15 (KCNA)—The delegation of the Communist Party of Cuba led by Julio Camacho Aguilera, member of the Political Bureau of the C.C. CPC, left for home today after participating in the celebrations of the 45th founding anniversary of the Workers' Party of Korea.

It was seen off at the airport by Han Song-yong, member of the Political Bureau and secretary of the C.C., WPK, officials concerned and Cuban Ambassador to Korea Juan Jose Leon Vega.

## Pyongyang Paper Denounces 'Israeli Aggressors'

*SK1410102490 Pyongyang KCNA in English 0909 GMT 14 Oct 90*

[Text] Pyongyang October 14 (KCNA)—The Israeli aggressors must stop the crackdown on the Palestinian people and take hands off the occupied Arab lands.

NODONG SINMUN states this in a signed commentary today, denouncing the Israeli aggressors for killing tens of Palestinians and injuring hundreds of others on October 8.

The commentary says:

The Zionists shamelessly try to reverse black and white, describing the massacre as "self-defence" to "protect" Jews from "attacks" of Palestinians.

The brutal massacre of Palestinians clearly shows the brigandish and bestial nature of the Israeli aggressors who are crazy with territorial expansion. The ulterior intention of the Zionists is to keep the occupied territories forever at the point of the bayonet. The recent massacre is a patent proof of it. The Israeli authorities wirepulled Jewish extremists to commit anti-Palestinian acts and, when Palestinians protested against it, killed them in cold blood.

The Zionists are the root cause of the misfortunes of the Arab nation and the very one destabilizing the situation and wrecking peace in the Middle East.

## Reportage Covering Ugandan Delegation's Visit

### Kim Il-song Receives Delegation

*SK0810143290 Pyongyang KCNA in English 1056 GMT 8 Oct 90*

[Text] Pyongyang October 8 (KCNA)—The great leader President Kim Il-song today received the Ugandan National Resistance Movement and Government delegation headed by Samson Kisekka, prime minister of the Republic of Uganda and member of the Executive Committee of the Ugandan National Resistance Movement, on a visit to Korea to participate in the celebrations of the 45th founding anniversary of the Workers' Party of Korea.

Present on the occasion were Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council; Chong Song-nam, minister of external economic affairs; and Choe Su-hon, vice-minister of foreign affairs.

Ambassador Extraordinary and Plenipotentiary of the Republic of Uganda to Korea William Wycliffe Rwestsiba was also present.

The head of the delegation conveyed a personal letter of Yoweri Museveni, president of the Republic of Uganda, to President Kim Il-song and congratulated him on the 45th anniversary of the founding of the Workers' Party of Korea.

President Kim Il-song expressed thanks for this and conversed with the guests in a cordial and friendly atmosphere.

He was presented with a gift by the head of the delegation.

### Kim Sends Message to President

*SK0810142890 Pyongyang KCNA in English 1054 GMT 8 Oct 90*

[Text] Pyongyang October 8 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea

today sent a message of greetings to Yoweri Museveni, President of the Republic of Uganda, on the occasion of the 28th anniversary of the National Day of Uganda.

The Korean people heartily rejoice at the success made by the Ugandan people in the reconstruction of the country and in the building of a new life under the leadership of President Yoweri Museveni and wish him and the Ugandan people greater success in the future work to build an independent and new prospering society, says the message.

The message expresses the belief that the good relations of friendship and cooperation between the two countries will grow stronger and develop day by day.

### Yi Chong-ok Speaks at Reception

*SK0910063190 Pyongyang KCNA in English*
*0556 GMT 9 Oct 90*

[Text] Pyongyang October 9 (KCNA)—The Central Committee of the Workers' Party of Korea and Government of the Democratic People's Republic of Korea gave a reception Monday for the visiting Ugandan National Resistance Movement and government delegation.

Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, spoke first at the reception.

Referring to the friendly and cooperative relations between Korea and Uganda, he said that the meeting between the great leader Comrade Kim Il-song and respected His Excellency President Yoweri Museveni in Pyongyang was a historical event which provided a new milestone of friendship and cooperation between the two countries.

Congratulating the Ugandan people upon their achievements in their struggle for the building of an independent and prosperous new society under the correct leadership of respected His Excellency President Yoweri Museveni, he wished them greater success in their future endeavours for independence, sovereignty and social progress.

Samson Kisekka, prime minister of the Republic of Uganda and member of the Executive Committee of the National Resistance Movement, spoke next.

He first expressed thanks to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il for enabling them to visit Korea.

He sincerely congratulated the Korean people upon their great victory and development under the leadership of the Workers' Party of Korea.

Noting that the two countries have fraternal, close relations, he stressed that the Ugandan Government firmly and strongly supports the Korean people in their struggle for the peaceful reunification of the country.

### Kang Hui-won Addresses Meeting

*SK1210104690 Pyongyang KCNA in English*
*1015 GMT 12 Oct 90*

[Text] Pyongyang October 12 (KCNA)—A Pyongyang mass meeting was held on October 11 in welcome of the Ugandan National Resistance Movement and Government delegation which had participated in the celebrations of the 45th birthday of the Workers' Party of Korea.

Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, spoke at the meeting.

Pointing out that the Ugandan Government and people are working energetically to promote the unity and cohesion of Africa, strengthen the non-alignment and establish a new international economic order, while maintaining the stand of anti-imperialist independence and non-alignment, he said:

The Korean people extend positive support and firm solidarity to this.

Head of the delegation Samson Kisekka, prime minister of the Republic of Uganda and member of the Executive Committee of the Ugandan National Resistance Movement, spoke next.

He expressed support to the five-point policy for national reunification advanced by the Democratic People's Republic of Korea for the relaxation of the situation obtaining on the Korean Peninsula and to all the efforts for its implementation.

The political relations between the Workers' Party of Korea and the Ugandan National Resistance Movement are friendly, he said, adding:

These relations will continue to develop in the future.

### Uganda Friendship Branch Formed

*SK1310222590 Pyongyang KCNA in English*
*1502 GMT 13 Oct 90*

[Text] Pyongyang October 13 (KCNA)—A meeting for forming the Lugazi branch of the Uganda-DPRK friendship association was held in Lugazi City on October 3.

At the meeting the chief of administration of Mukono District referred to the purpose and significance of forming the Lugazi Branch of the Uganda-DPRK Friendship association and made public the list of elected members of the branch.

Then, the elected chairman and vice-chairman of the branch made congratulatory speeches.

Letters to the great leader president Kim Il-song and dear comrade Kim Chong-il were adopted at the meeting.

### Delegation Departs Pyongyang

*SK1310133090 Pyongyang KCNA in English 1104 GMT 13 Oct 90*

[Text] Pyongyang October 13 (KCNA)—The Ugandan National Resistance Movement and Government delegation headed by Samson Kisekka, prime minister of the Republic of Uganda and member of the Executive Committee of the National Resistance Movement, today left for home after participating in the celebrations of the 45th founding anniversary of the Workers' Party of Korea [WPK] at the invitation of the WPK Central Committee [CC] and the DPRK Government.

The guests were seen off at the airport by Yi Chong-ok, member of the Political Bureau of the C.C., the WPK and vice-President, and other cadres and working people in the city.

### Syrian Ba'th Party Group Welcomed in Pyongyang

*SK1210064290 Pyongyang KCNA in English 0434 GMT 12 Oct 90*

[Text] Pyongyang October 12 (KCNA)—A meeting was held here Thursday in welcome of the delegation of the Arab Socialist Ba'th Party of Syria (ASBPS) which had participated in the celebrations of the 45th founding anniversary of the Workers' Party of Korea [WPK].

Han Song-yong, member of the Political Bureau and secretary of the C.C. [Central Committee], the WPK, made a speech at the meeting.

Our party and people are sincerely rejoiced as over their own over the achievements made by the ASBPS and the Syrian people in the building of a new society and express firm solidarity with them in their struggle against imperialism and Zionism and for retaking the occupied Arab land and achieving a durable peace in the Middle East.

Noting that Korea-Syria friendship is strengthening and developing with each passing day on the basis of the close intimacy between the great leader Comrade Kim Il-song and respected President Hafiz al-Asad, he stressed: Our party and people will make all efforts to further consolidate these relations of friendship and cooperation.

Head of the delegation Walid Hamdun [as received], member of the regional leadership of the ASBPS and director of the finance department of the party, spoke next.

He stressed that the Syrian people praise the great achievements made by the Korean people in their efforts for progress and prosperity under the guidance of Comrade President Kim Il-song, the great leader.

Pointing out that the Syrian party and people have supported all the reasonable proposals of the Democratic People's Republic of Korea for the independent and peaceful reunification of the country, he expressed firm solidarity with the Korean people in their struggle to carry into effect the three principles of national reunification, the proposal for founding the democratic confederal republic of Koryo that is based on the principles, and the new five-point policy of national reunification.

He also voiced full support for the DPRK's struggle for U.N. membership of the North and the South with one seat.

### Security Forces Rescue Chinese Sailors

*SK1410095890 Pyongyang KCNA in English 0837 GMT 14 Oct 90*

[Text] Pyongyang October 14 (KCNA)—Five fishermen of Dandong, China, returned home on October 10 after being rescued by sailors of the Korean People's Security Forces and the Korean People's Army in the waters off Cholsan on the west coast of Korea.

On October 8, there came suddenly a thin cry for help from somewhere through fierce waves and windstorm on the sea off Cholsan.

The sailors on a routine duty on the Oyong Islet, Cholsan County, spotted a fishing boat sinking, capsized by fierce waves and lost no time to report it to the commanding post.

No sooner had the commanding post received the report than it ordered a patrol ship to set sail urgently, assuming that the wrecked boat belongs, no doubt, to Chinese comrades.

Upon hearing that Chinese fishermen, class brothers and revolutionary comrades-in-arms, were in danger, sailors of the patrol boat of the unit of the Korean People's Security Forces to which Comrade Kim Pyong-po belongs struggled against waves and rescued all of the four fishermen aboard the boat, with the determination to save the Chinese fishermen from danger at the risk of their lives.

The rescued persons were fishermen of the boat No. 2512 of Youhao-Chun, Zhuanxiang-Xiang, Donggou County, Dandong City, China.

Meanwhile, sailors of the unit of the Korean People's Army to which Comrade Kim Yang-kun belongs rescued a fisherman of the boat No. 5099 of Donggou County, Dandong City, China who was at stake due to the unexpected strong waves and windstorm while fishing on the sea off Cholsan, and transferred him to the commanding ship No. 2012 of the Cholsan fishery station.

During their stay in Korea, the rescued Chinese fishermen enjoyed utmost care of Korean sailors and fishermen of the Cholsan fishery station.

## Kim Il-song at Gymnastic Performance for WPK

*SK1010112390 Pyongyang KCNA in English 1044 GMT 10 Oct 90*

[Text] Pyongyang October 10 (KCNA)—A grand mass gymnastic display "Single-Hearted Unity" was performed today at the Kim Il-song Stadium by 50,000 school youth and children of Pyongyang to mark the 45th anniversary of the foundation of the Workers' Party of Korea [WPK].

The stadium was packed with 100,000 people.

Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, appeared on the rostrum amid enthusiastic cheers of the crowds.

A child presented him with a bouquet of fragrant flowers.

The letters "Highest Glory to the great leader Comrade Kim Il-song" and a portrait of Comrade Kim Il-song appeared on the background of the stadium. Then followed the letters "Glory to our Great Party" and Kimchongilia, letters "Warm Welcome to Foreign Guests," the emblem of the WPK and letters "welcome".

On the floor of the stadium, the gymnastic groups presented beautiful rhythms of welcome.

O Chin-u, Yi Chong-ok, Pak Song-chol, and other senior party and state leading officials and other officials also occupied the rostrum.

Chairman Han Tok-su and Vice-Chairman Pae Pyong-tu of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) were seen among them.

Invited to the rostrum were Didier Ratsiraka, president of the Democratic Republic of Madagascar and general secretary of the Malagasy Vanguard of Revolution, Song Ping, member of the Standing Committee of the Political Bureau, the C.C., the Communist Party of China, Takako Doi, chairperson of the Central Executive Committee of the Japan Socialist Party, and Ichiro Ozawa, general secretary of the Liberal Democratic Party of Japan and heads of foreign delegations and delegates who came to Korea to celebrate the 45th birthday of the WPK.

The congratulatory group of the South Korean National Democratic Front [Hanminjon], the congratulatory group of the Koreans in Japan, delegations and visiting groups of Chongnyon and overseas Koreans appeared on the reviewing stand for the guests of honour.

Present on invitation were also 276 delegations and delegates from 126 countries of the five continents of the world, foreign visitors and diplomatic envoys acredited to Korea.

The grand mass gymnastic display "Single-Hearted Unity" excellently represented on a grand epic canvas of sports art the imperishable revolutionary exploits performed by the great leader Comrade Kim Il-song who founded the revolutionary party of chuche type, and has realised the single-hearted unity of the whole party and the single-hearted unity of the party and the people and turned Korea into a powerful, prosperous socialist state independent, self-sufficient and self-reliant in national defence.

Each scene of the display with a high degree of ideological content and organization and refined sports skill won the loud applause of the spectators.

## Further on Gymnastic Display

*SK1310100890 Pyongyang Domestic Service in Korean 1000 GMT 10 Oct 90*

[Excerpts] On 10 October, a grand mass gymnastic display, "Single-Hearted Unity," was splendidly performed by 50,000 school children and youth of Pyongyang City to mark the 45th anniversary of the founding of the Workers' Party of Korea [WPK] in Pyongyang, the capital of the revolution. [passage omitted]

Present in the seats for invited guests were members and alternate members of the WPK Central Committee; party and government bodies; social organizations; responsible functionaries of institutions of science, education, culture and arts, public health, and the press; generals of the Korean People's Army; fighters of the anti-Japanese revolution; members of the delegation of the South Korean National Democratic Front of Korea [SKNDF] who came to congratulate the WPK on the 45th anniversary of its founding; members of the delegation of the Korean residents in Japan; and compatriots from various overseas countries. Also in attendance were diplomatic delegates from various countries in our country and foreign guests staying in our country. [passage omitted]

Comrade Kim Il-song, the great leader of our party and people who is a founder and leader of the glorious WPK, appeared on the reviewing stand on the platform. [passage omitted]

Appearing on the reviewing stand of the platform were members of the WPK Central Committee Political Bureau Presidium; members and alternate members of the Political Bureau; party and state guidance cadres; chairman of the Supreme People's Assembly; the chairman of the Central Committee of the Korean Social Democratic Party; the chairman of the Central Committee of the Chondoist Chongu Party; responsible functionaries of the central organs and working people's organizations; other functionaries concerned; the chief delegate of the SKNDF; and the chief delegate of the Korean residents in Japan. [passage omitted]

## Film Festival Commemorating Party Opens

*SK0810112490 Pyongyang KCNA in English 0653 GMT 8 Oct 90*

[Text] Pyongyang October 8 (KCNA)—A film week opened to celebrate the 45th anniversary of the founding of the Workers' Party of Korea [WPK].

Films reviewing the founding of the WPK and its strengthening and development by the great leader Comrade Kim Il-song, the brilliant feats performed by our party in the revolution and construction and the unbreakable unity and cohesion of the party and the people will show at the cinema houses and houses of culture across the country.

The films will include "The Leader Is a Great Father of Our People", "Great Guidance Leading Our Party Always to Victories", "Lodestar on Mt. Paektu", "Wishes for Longevity" and other documentary films, and "Star of Korea", "The Sun of the Nation", "Guarantee", "The Man Who Is Always Remembered" and other feature films.

A national opening ceremony of the film week was held at the Pyongyang International Cinema House Sunday.

The ceremony was addressed by Chang Chol, vice-premier of the Administration Council and minister of culture and art.

## Kim Chong-il's Visit to Province Commemorated

*SK1410021190 Pyongyang Domestic Service in Korean 2300 GMT 1 Oct 90*

[Text] A Chagang Provincial report meeting was held 1 October at Provincial Art Theater to mark the 40th anniversary of dear Comrade Kim Chong-il's visit to Mt. Changja.

The report meeting was attended by responsible functionaries of the provincial party, power organs, and administrative and economic institutions, along with the city's working people.

Kang Myong-san, secretary of the Chagang Provincial party committee, made a report.

He said that the report meeting marking the 40th anniversary of dear Comrade Kim Chong-il's visit to Mt. Changja had been arranged at an emotional time when all party members and working people across the nation are effecting a revolutionary upsurge in all fronts of socialist economic construction by vigorously accelerating the march of the nineties designed to bring about an epochal progress in the development of our revolution under the leadership of the party.

He noted the fact that for several days since 2 October in 1950, after embarking upon the path of loyalty spanning 1,000 ri, dear Comrade Kim Chong-il stayed there and cultivated his grand idea about the revolution during the grave days when our country was submerged in a sea of fire.

The reporter stressed: Cherishing faith in certain victory, dear Comrade Kim Chong-il devoted himself to his study and set a living example for loyalty, saying that victory in war and even people's happiness all depend only on the great leader's well-being, health, and long life.

He also mentioned the fact that dear Comrade Kim Chong-il, while frequenting a meditation spot on the Changsu Peak, remembered the words of the indomitable communist fighter Comrade Kim Chong-suk who had urged him to grow up quickly and uphold the General in high esteem and implant in the hearts of the villagers and friends loyalty to the great leader. He also talked about the fact that dear Comrade Kim Chong-il, after planting two big cone pines with his younger sibling on 5 October in 1950, remarked that our people's loyalty should be as unchanging and lasting as the evergreen big cone pine.

The reporter talked about the fact that dear Comrade Kim Chong-il actively learned the chuche-oriented military art and military strategy worked out by the respected and beloved leader in a playground and a firing range where he often played soldier whenever he could spare time, while setting a noble example of the lofty communist virtue of passionate love for the fatherland and people by offering to the villagers wild fruits he had picked himself and by returning to the water fish caught by his friends.

The reporter said that although decades have passed since that time, the immortal historical facts dwelling on Mt Changja have become an excellent textbook that implants in the hearts of our party members and working people pure, unblemished loyalty.

He said the noble example set by dear Comrade Kim Chong-il on Mt. Changja is a great paradigm that all our people should emulate. He continued to talk about the fact that the revolutionary and historic relics on Mt. Changja had been wonderfully organized thanks to our people's warm love and that to date a total of 3.86 million party members and working people have visited the place.

The reporter stressed that our people are now full of determination to hold the great leader in high esteem and brilliantly consummate the cause of the chuche revolution to the end following the guidance of dear Comrade Kim Chong-il.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary of the party Central Committee, has noted: Loyalty to the party and leader should be expressed not in words but in practical acts of fulfilling the revolutionary tasks.

He then noted the need for all party members and working people to tirelessly prepare themselves as revolutionary fighters endlessly loyal to the party and leader by arming themselves firmly with our party's revolutionary ideas and by establishing the party's unitary ideology more thoroughly, as well as the need to display

high revolutionary mettle in implementing the great leader's teachings and the party's decisions. He then noted the need in particular for them to organize the path of 1,000 ri on which our party's immortal historical relics dwell and the site of revolutionary and historic relics on Mt. Changja more politely and substantially, and to arm themselves with our party's ideas by emulating the immortal revolutionary and historic relics dwelling there.

He said that all party members and working people should thoroughly and unconditionally implement the programmatic teachings given to the Chagang Province last December by the great leader and the tasks presented on the spot in the Chagang Province by dear Comrade Kim Chong-il while giving teachings on the spot by firmly resolving to carry out whatever decision the party may make and by displaying high the spirit of self-reliance and arduous struggle.

The reporter stressed that all party members and working people in the Province should immediately greet the 45th anniversary of the party founding with high political zeal and brilliant labor feats and vigorously stage the struggle to complete this year's plan and the Third Seven-Year Plan aheao of schedule.

## Second Antarctic Expeditionary Group Leaves

*SK1610105490 Pyongyang KCNA in English*
*1051 GMT 16 Oct 90*

[Text] Pyongyang October 16 (KCNA)—The second Antarctic expeditionary group of Korea left here today.

The first group had left here in January this year and returned in late July.

## Kim Chong-il Work on 'Chuche Outlook' Praised

*SK1410102090 Pyongyang KCNA in English*
*0859 GMT 14 Oct 90*

["Our Party's Idea and Theory on the Chuche Outlook on the Revolution Is Valuable Guideline for Training Genuine Communist Revolutionaries"—KCNA headline]

[Text] Pyongyang October 14 (KCNA)—NODONG SINMUN today dedicates an article to the third anniversary of the publication of the historical work of dear Comrade Kim Chong-il "On Establishing the Chuche Outlook on the Revolution" (October 10, 1987).

Noting that the work of dear Comrade Kim Chong-il serves as a powerful ideological and theoretical weapon which must be always held fast to in strengthening in every way the driving force of our revolution by rearing the people to be genuine communist revolutionaries, the author of the article says:

Dear Comrade Kim Chong-il said: "We must conduct efficiently the work of establishing the revolutionary outlook and thus develop our party members and working people into genuine communist revolutionaries who are firmly equipped with the chuche outlook on the revolution."

The work comprehensively expounds the importance of acquiring the revolutionary outlook as a faith, the essential nature and formation of the chuche outlook on the revolution and all other theoretical and practical matters arising in establishing the chuche outlook on the revolution.

The work, above all, serves as a valuable guideline for firmly establishing the revolutionary outlook on the leader among the party members and other working people.

It elucidates in detail all matters from the problem of principled stand that the leader should not be regarded simply as the man in high command but should be regarded as the centre of the life of the socio-political community in shaping the destiny of the popular masses to the problem of conducting the work of establishing the revolutionary outlook on the leader in close combination with today's revolutionary practise. Our party's idea and theory on establishing the chuche outlook on the revolution has thus become a guideline in establishing the revolutionary outlook on the leader and a valuable ideological and mental pabulum in encouraging with revolutionary enthusiasm our party members and working people who are ready to make revolution to the end under the leadership of the party and the leader.

The work also serves as a powerful weapon which helps the revolutionary people have a correct stand and viewpoint on the party and remain boundlessly faithful to the party's leadership.

The work comprehensively explains all the theoretical and practical problems arising in establishing the revolutionary outlook on the organization such as the position of the party and the scope the stand and viewpoint on the party involve in the socio-political organism, the co-relation between the organization and the socio-political integrity and the essential nature and importance of the organizational and ideological life [sentence as recieved].

The tremendous vitality of the work lies in that it enables the revolutionary people to have a correct stand and viewpoint on the popular masses and devotedly struggle in the interests of the masses.

It also profoundly clarifies that if the outlooks on the leader, the organization and the masses are to be accepted as a belief based on revolutionary conscience, they must be moulded with the revolutionary oulooks on morals and must become outlook on life.

The work, which makes clear that the outlooks on the leader, the organization, the masses and morals form a main component part of the revolutionary outlooks, is a great programme of human transformation which gives a

new exposition on the level of world outlook of the ideological and mental characteristics of the genuine communist revolutionaries.

## WPK Termed 'Defender of Socialist Cause'

*SK1610105090 Pyongyang KCNA in English 1030 GMT 16 Oct 90*

[Text] Pyongyang October 16 (KCNA)—NODONG SINMUN today comes out with a by-lined article titled "Our Party Is a Great Guide and Steadfast Defender of the Cause of Socialism".

For its strong faith in and boundless devotion to the socialist cause and for its great exploits in defending socialism and bringing its advantages into full play, our party has a great honor and prestige as a great guide and steadfast defender of the socialist cause.

The article consists of two parts.

In the first part the article says our party is the great guide that leads the cause of socialism with invincible might and leadership ability.

The article quotes dear Comrade Kim Chong-il as saying:

"Party leadership is vital to the socialist cause.

"The socialist cause in our country has advanced and triumphed under the leadership of our party, and it will be completed splendidly in the future, too, only under party leadership".

Noting that one of the great feats our party has performed in the history of the protracted yet glorious struggle is that it has defended the cause of socialism and successfully guided it, the article stresses:

Our party's leadership is a decisive guarantee for the strengthening of the driving force of the socialist cause and increasing its role.

Our party has always given priority to strengthening the driving force in socialist construction and constantly invigorated the work of strengthening it as the revolution and construction developed to a high stage.

Today in our country the Workers' Party of Korea with invincible might stands firmly in the centre of the revolutionary ranks, and the masses of the people who have surmounted all manner of ordeals sharing their destiny with the party in the long revolutionary struggle are united rock-firm behind the party and the leader with one mind and one purpose.

Singlehearted unity of the leader, the party and the people is the main feature of our society and it is the chief factor that enables our socialism to triumphantly advance, breaking through any hardships and trials.

To resolve all problems in reliance upon the inexhaustible strength and creativity of the popular masses, the driving force of the revolution, is one of the important keys to our party's building and development of a superior man-centred socialism as today.

Our party's leadership is also the fundamental condition for successfully advancing the socialist cause in reliance on correct strategy and tactics of struggle.

Our party has been able to build a peculiar socialism of our own style as today by consistently maintaining and implementing the most scientific and just line of socialist construction, the line of occupying the ideological and material fortresses alike.

Our party regards the line of the three revolutions, ideological, technical and cultural, as the nucleus of the strategic lines of socialist and communist construction and has thoroughly implemented it. In this course, our party has turned our socialism into a society sound politically and ideologically and united rock-firm, into a prospering socialist society where economy, culture and all other fields of society have constantly and rapidly developed on the basis of a high degree of the self-conscience and revolutionary zeal of the popular masses.

In the second part the article says our party is the steadfast defender of the socialist cause that creditably safeguards the dignity and honor of socialism by consistently adhering to the revolutionary principle.

The article further says:

Our party, first of all, established the socialist system and has consolidated and developed it in conformity with the independent demands and interests of the popular masses and pushed forward the revolution and construction in keeping with the essential nature of the socialist cause.

In the whole course of socialist construction our party has invariably maintained the independent and creative stand and thoroughly implemented the revolutionary line of independence, self-sustenance in economy and self-reliance in national defence.

It sticks to the socialist principle and the socialist method in carrying forward the socialist cause.

Our party has made it sure that all the problems are solved in socialist construction on the basis of the socialist principle and on the principle of bringing the advantages of socialism into play.

The further the imperialists intensify their counterrevolutionary and anti-socialist offensives to encroach the independent interests of the masses, the more resolutely our party defends and implements the revolutionary principle.

Under the leadership of the party our people have advanced the cause of socialism and displayed its advantages, smashing the manoeuvres of the imperialists in every way in the protracted, arduous revolutionary struggle.

It is the unshakable will of our people to face the imperialists always with the revolutionary principle and resoluteness and meet their ideological and cultural infiltration with a revolutionary ideological offensive, and their crafty anti-socialist moves with revolutionary winds.

Our people are now filled with the conviction of certain victory, though they may meet difficulties in socialist construction, and with the revolutionary will of steadfastly defending the honor of socialism at any cost, putting the dignity of socialism above the short-sighted interests.

## Editorial on Accelerating Socialist Construction

*SK1610101490 Pyongyang KCNA in English 0958 GMT 16 Oct 90*

[Text] Pyongyang October 16 (KCNA)—NODONG SINMUN today editorially calls upon the entire party members and working people to effect once again a great revolutionary upswing on all fronts of socialist construction with pride and confidence in fighting under the leadership of the great party.

The editorial says the celebrations of the 45th founding anniversary of the Workers' Party of Korea [WPK] were a grand international festivity in which heads of state and government, chairmen and general secretaries of parties, party and government delegations and many other friends from more than 120 countries of the world came here and warmly congratulated the anniversary of our party founding and a significant historical event which powerfully demonstrated at home and abroad the feats and might of our party which has led the cause of socialism along the road of victory in the vortex of a complicated and rigorous history.

The editorial continues:

The celebrations of the 45th founding anniversary of the party offered our party members and working people an opportunity of deeply experiencing once again how precious the honor of the people who are advancing under the banner of the great party is.

Our people, guided by the great Workers' Party of Korea, could become an independent people taking their destiny in their hands, build the most superior man-centred socialism and make it shine and perform proud exploits for history and the times.

The celebrations demonstrated to the whole world the incomparable happiness and pride of our people who have traversed a glorious road of revolution under the leadership of the great party.

"It is a basic guarantee for the victory of the revolution to strengthen the party and increase its leadership role," a historical speech of the great leader Comrade Kim Il-song at a banquet given in celebration of the 45th founding anniversary of the WPK, and "the Workers' Party of Korea is the organizer and guider of all victories for our people", a historical treatise published by dear Comrade Kim Chong-il on the occasion of the 45th party founding anniversary, are grand programs of party building of the working class which have immensely developed and enriched the chuche theory of party building with profound principles and ideas and highly important guidelines which our people should keep to for the accomplishment of the revolutionary cause of chuche under the banner of socialism.

Laying emphasis on accelerating socialist construction with redoubled efforts in the spirit displayed in successfully ensuring the celebrations with a high degree of political enthusiasm, the editorial stresses:

The party members and working people should be keenly aware how high the honor of our people is in vigorously advancing along the road of socialism even under such complicated and difficult circumstances as today because they are guided by the great party, and deepen their faith in the greatness of the party. Thus, all of them should entrust their destiny to the party and firmly prepare themselves to be revolutionary soldiers of the party staunchly fighting under its leadership.

## Editorial Stresses 'Revolutionary Ethos'

*SK1410083290 Pyongyang Domestic Service in Korean 0019 GMT 5 Oct 90*

[NODONG SINMUN 5 October editorial: "Let Us, the Functionaries, Highly Display Revolutionary Ethos in Carrying Out Economic Tasks"]

[Text] Our functionaries are in the process of vigorously launching the struggle to victoriously strengthen this year's battle. They are filled with revolutionary enthusiasm in significantly welcoming the 45th anniversary of the party founding with great success in their labor, amid the overall march of the nineties.

The functionaries must participate in the last quarter of this year's battle well so that they can further display revolutionary ethos to carry out their entrusted economic task smoothly.

Comrade Kim Chong-il, member of the Presidium of the Central Committee of the Workers' Party of Korea Political Bureau and secretary of the party Central Committee has taught: If one wants to be truly faithful to the party, one must possess the revolutionary ethos of unconditionally and thoroughly executing the task set by the party under any circumstances.

Our guiding functionaries form the core force of the party and the commanding personnel of the revolution. Whether functionaries can fully carry out this honorary task or not is dependent upon how much the entrusted economic task can be done in a revolutionary way.

For the functionaries to highly display revolutionary ethos in carrying out the economic task is a basic demand in correctly fulfilling the honorary duty of an active protector and implementer of the party policy.

Functionaries are the ones who must take the lead in implementing the plan and intention of the party and the leader. All of our party's lines and policies are being executed by the functionaries.

Functionaries who have to directly organize and execute the work of implementing the party's economic policy in the units and sectors of the people's economy, must highly display the revolutionary ethos so that all difficult and complicated issues can be resolved correctly.

Today, we are struggling to enhance the nineties by making great strides in this new year by setting high goals. Functionaries are the ones who are entrusted with the weighty duty of taking the lead in this historic overall march.

Functionaries must highly display the ethos of carrying out all work in a revolutionary way with high revolutionary spirit. Only then can they arouse the enhanced revolutionary enthusiasm of the masses continuously. Then the potential for increasing and conserving resources will be more widespread, and production and construction will be further accelerated.

Not much time is left until the end of this year. Important streets must be finished this year during the short time available so that this year's enormous task can be carried out. This is dependent upon all the functionaries highly displaying their revolutionary ethos.

In plants and enterprises, we must regularize production at a high level and carry out the plan according to its schedule and quota without fail. Also, the construction of important facilities such as houses for 50,000 households in Pyongyang and the Sariwon potash fertilize complex must be accelerated quickly.

This difficult and complex task demands that the functionaries improve their work attitude and work habits in a revolutionary way and carry out all the work in a militant way.

Our functionaries must further highly display their revolutionary ethos in the practical demand of achieving new strides in the socialist economic construction and in carrying out the economic task according to the party's intent.

In order to highly display the revolutionary ethos in carrying out the economic task, the functionaries must first of all have the firm revolutionary determination to fulfill entirely the entrusted economic task responsibly.

A functionary who is firmly determined to fulfill the revolutionary task responsibly at all costs will be able to carry out all tasks entirely like a master no matter what the barrier and without wavering.

All functionaries must always have the attitude of being the master of the revolution and must face issues and resolve them in a revolutionary way from the firm position that they will be entirely responsible for the entrusted economic task.

A plan for the people's economy is a law of the state and an order of the party. Functionaries are responsible for the economic task in their units and sectors that the party and the state set.

Only a person who is determined to thoroughly carry out responsibly the people's economic plan, which is a task in the form of a statute, can devote himself and struggle to achieve the regularization of production; strongly establish the rule for cooperative production; and establish active measures to further resolve the issue of transportation.

Our functionaries must correctly recognize that the party's confidence is that much more when the economic task entrusted to them is all the heavier. They must further have the firm resolution and determination to execute it unconditionally.

Especially, this kind of ethos must be further highly manifested among the functionaries who are struggling to carry out this year's plan and who have embraced the overwhelming task.

Independently solving problems that arise in fulfilling economic tasks is an important expression of the revolutionary ethos. All economic tasks that our functionaries should fulfill responsibly reflect our party's lofty demands to accelerate our revolution and construction and, thus, to expedite the complete victory of socialism and national reunification. Of course, difficulties and barriers may arise in the course of fulfilling their economic tasks. However, today's reality in which the general march is being waged tells us that functionaries can easily fulfill even difficult tasks, or they must execute even easy tasks with difficulty, depending on what attitude they assume toward their assigned task. Now, because heavy economic tasks are being assigned continuously, the functionaries should not unconditionally rely on higher echelons for assistance or wait for conditions to be guaranteed but should solve all problems responsibly by displaying the revolutionary spirit of self-reliance and fortitude.

When knotty problems face them, functionaries should labor at them first and solve them by displaying the spirit and mettle of our people in the past period of the great upsurge of Chollima. In this way, functionaries should thoroughly fulfill this year's militant task assigned by the party with their own efforts. If and when functionaries work with a passive attitude, calculating this and that and under various excuses, they cannot smoothly fulfill their assigned economic task, and such an attitude has nothing to do with the revolutionary ethos.

Guidance functionaries, when facing a difficult task, should not act indecisively, but should display the ethos of boldly grappling with it and fulfilling it entirely. Functionaries' revolutionary ethos finds expression in elaborately organizing and skillfully commanding their work of fulfilling economic tasks.

The socialist economic development of our country today has entered a new high stage and has been further modernized and made more scientific. Only when functionaries skillfully organize and lead the highly developed and large-scale modern economy can all production channels be reasonably meshed and the party's demands for increased production and conservation be more properly implemented. Functionaries should deeply grasp and acquaint themselves with the chuche-oriented economic management system and method of our style, various objective economic rules, and various economic means. They should also manage and operate the economy in conformity with these chuche-oriented economic management system and method. Thus, they should organize and coordinate production organization and command activities so that maximum economic effectiveness can be attained.

Properly grasping and understanding today's reality is an indispensable requirement for functionaries in militantly and vigorously carrying out their work. Today, when the struggle to create the pace of the nineties is being vigorously waged, various problems that functionaries should solve are constantly arising. It is indeed important for functionaries to mingle with the masses. Upholding and following the party's slogan, which calls for the entire party to mingle with the masses, all functionaries should make it a routine and habit to go down to lower echelons in order to mingle with the masses there. They should also work together with workers in the blind ends in mine galleries, at blast furnaces, and construction sites, should correctly acquaint themselves with the situation there, and should organize and carry out their work in conformity with it.

Even when they mingle with the masses, functionaries should deeply view and analyze problems from the viewpoint of the party policy. They should not only observe the present conditions, but should observe the boundless strength of the masses. Only by doing so can they have confidence and correct ways to successfully fulfill their assigned economic task. The main purpose of functionaries going down to lower echelons is to grasp and acquaint themselves with problems and to establish measures for them in a timely manner. When, even though they have learned the problems facing the masses, they fail to establish correct measures to solve them, their going down to lower echelons to mingle with the masses is useless.

Not only functionaries at plants and enterprises, but also functionaries in the committees and ministries of the State Administration Council should keep in mind the fact that although it is important for them to acquaint themselves with and analyze the situation at lower echelons, what is even more important is for them to establish correct measures in a timely manner. Therefore, they should solve, without fail, problems responsibly. The important role of party organizations at all levels is ensuring that functionaries display the revolutionary ethos in fulfilling their assigned economic task. All party organizations should lead and assist economic guidance functionaries so that they can vigorously make strenuous efforts with firm determination to unconditionally fulfill their assigned economic task responsibly. Party organizations should actively assist economic guidance functionaries so that they can devotedly work toward the fulfillment of the economic task assigned by the party by fully displaying their organizational ability. All functionaries should vigorously rise up once again and carry out their economic work in a revolutionary manner. Thus, they should make this year, the first year of the nineties, a year of a new turn in socialist construction.

## South Korea

### Premier, Delegation Cross Into North for Talks

*SK1610002590 Seoul Domestic Service in Korean 0000 GMT 16 Oct 90*

[Text] At around 0850, the 90-man delegation from our side crossed the military demarcation line and went into the area of the North Korean side to attend the second round of the North-South High-Level Talks to be held in Pyongyang today. The 7-man delegation, including Prime Minister Kang Yong-hun left for the northern area of Panmunjom by car and entourage members and reporters left on foot.

Prior to this, our side's delegation issued a statement on the crossing at Panmunjom and clarified its stand and resolve toward the talks.

At around 0710 today, Prime Minister Kang Yong-hun and other delegates from our side left the general government offices in 10 cars and 2 buses. At around 0830, they arrived at the House of Peace on our side in Panmunjom, through Tongnipmun, Muhak Pass, and Tongil Street.

Escorted by Kim Kwang-chin, vice minister of North Korea's Ministry of People's Armed Forces, Prime Minister Kang and other delegates got into cars offered by the North Korean side and departed northward.

### Premier's Statement at Panmunjom

*SK1610014390 Seoul YONHAP in English 0040 GMT 16 Oct 90*

[Text] Panmunjom, Korea, Oct. 16 (OANA-YONHAP)—South Korean Prime Minister Kang Yong-hun entered North Korea Tuesday for the second round of high-level talks on lowering tension and unifying the Korean peninsula.

Kang, heading a seven-member delegation and accompanied by 33 officials and 50 Korean journalists, walked across the military demarcation line in the truce village of Panmunjom at 9 a.m. and was to arrive in Pyongyang, where he will stay until Friday, four hours later. The South Korean delegates were warmly greeted by their North Korean counterparts over the border and were to

drive to Kaesong, where a special train was waiting to take them to the North Korean capital.

Kang is the highest ranking South Korean Government official to visit North Korea for official talks since the division of the nation in 1945.

The two prime ministers will meet for talks in the People's Cultural Palace Wednesday and again Thursday behind closed doors to discuss "matters on resolving political and military tension and implementing exchange and cooperation between the South and the North."

The Pyongyang talks are expected to focus on proposals made in their first encounter, in Seoul on Sept. 4-7, and probe for signs of a change in attitude toward each other. Kang will meet privately with President Kim Il-song Thursday, shortly after the Southern delegates meet with him. Their meeting attracts special attention as Kang is expected to give Kim a verbal message from President No Tae-u that may contain important proposals on reunification of Korea and renew a call for a summit meeting.

In a statement upon crossing the border, Kang said: "We are going to Pyongyang to advance a spring of reconciliation and cooperation that can thaw this frozen wall.... We will make our best effort in the second round of the talks to extract substantial and concrete agreements."

He said the halves of Korea, to prosper as a single community, should eliminate the misunderstanding and distrust between them and restore confidence through respect for, and recognition of, each other. "We would like to remind the northern side that this basic recognition is the first step toward improving relations between the South and the North...," Kang said.

He said the first round of premiers' talks in Seoul last month was a good opportunity to increase mutual understanding by exchanging views with frankness and sincerity, although they had different positions.

"We should put a full period to the history of national division at all costs within this century, and open a new era of hope and prosperity with self-esteem by realizing the peaceful unification of the fatherland," Kang said.

"We will also concentrate on producing agreements on some of the points the two sides neared a consensus, such as setting up direct telephone lines between military officials and halting political slandering," the prime minister said. On North Korean demands to cease the South Korea-U.S. military maneuver "Team Spirit," Kang said Seoul can be flexible if Pyongyang does not pose military threats. "Team Spirit is being carried out because of North Korea's superior troop buildup," he said. "But we can be flexible once such threats are removed."

There will be specific proposals for inter-Korean exchanges and cooperation, based on the first round of talks, Kang said, but refused to disclose details on instructions by President No Tae-u.

"The opportunity to visit Pyongyang has a personal meaning for me," said the premier, who was born in Changsung in North Korea. The Seoul delegation will pass through the heavily fortified border village of Panmunjom on its way to and from the North Korean capital. Kang will meet with North Korean President Kim Il-song to deliver a message from No.

### Premier States Goals for Meeting

*SK1310073490 Seoul YONHAP in English 0717 GMT 13 Oct 90*

[Text] Seoul, Oct. 13 (OANA-YONHAP)—South Korea will seek mutual recognition by Seoul and Pyongyang, reunions of separated families and inter-Korean cooperation even before national unification, Prime Minister Kang Yong-hun said Saturday. Kang, who will head the Southern delegation next week to the second inter-Korean premiers' meeting in Pyongyang, told reporters these are Seoul's three major principles for the talks.

### Pyongyang's Reunification Agenda Analyzed

*SK1210004690 Seoul THE KOREA TIMES in English 12 Oct 90 p 6*

[Editorial: "Pyongyang's Duplicity"]

[Text] There are growing signs that North Korea's long-standing policy of "one-Korea" is now wavering, particularly since the establishment of diplomatic relations between Seoul and Moscow on Sept. 30. The expected growth of friendly ties between Seoul and Beijing will also provide a catalyst for Pyongyang to change its hardline doctrine before long.

The one-Korea concept, in opposition to the two-Korea policy, was long supported by the North's allies but since democratic reforms swept East Europe Pyongyang's dogma has lost ground, the Eastern bloc being compelled to recognize the existence of another Korea in the South, following the lead of the East European countries which have established diplomatic ties with Seoul.

Apparently marking a shift in its one-Korea concept, North Korean leader Kim Il-song proposed to Tokyo the establishment of diplomatic ties, a radical reversal of its dogmatic policy not to pursue relations with any country which has diplomatic links with the Seoul government. North Korea denounced the Seoul-Moscow diplomatic normalization as running counter to the cause of reunification, charging the Soviet Union with a betrayal that was bought with dollars. Meanwhile, Pyongyang's denunciation of the Seoul-Moscow ties is quite inconsistent with its moves to normalize ties with Japan.

This shows the existence of a double-faced diplomacy by North Korea, pushing ahead with the one-Korea drive as a domestic strategy and a two-Korea policy for its

international convenience. The North's duplicitous strategy has entailed inconsistent and unprincipled diplomatic maneuverings, to the embarrassment of the world nations concerned.

For instance, Pyongyang, in a letter to the president of the U.N. Security Council, said that, though joint admission into the world body by South and North Korea is the reasonable approach, there might be other solutions. However, hopes raised by what appeared to be a shift of its position toward the U.N. were disappointingly betrayed when the Pyongyang regime reversed its stand in a matter of days. At the inter-Korea working-level talks, the North side reiterated its joint U.N. entry proposal, as against Seoul's call for separate, simultaneous entry into the world forum by the two Koreas.

At one point, the North Korean invitation of the South Korean soccer team to Pyongyang for a friendly match might have appeared an encouraging event, along with a South-North joint concert held there with the participation of invited South Korean musicians.

But considering that the two events were held on the inaugural anniversary day of the North Korean Workers Party, it might well be considered the events were intended not as simple sports and arts exchanges but as a premeditated proapgandistic ploy for domestic and international consumption. In a sense, the North Korea-sponsored events could be linked with the recent activities of its "pan-national movement" toward its professed unification goal.

The ulterior object of the North is viewed skeptically, especially when it is learned that Kim Il-song advocated a one country, two government systems for a united Korea during his meeting with the visiting Japan Socialist Party delegation in Pyongyang. This seemingly similar version of China's unification policy with regard to Taiwan is far from the genuine reunification of Korea, which would feature the integration of the divided people and their territories.

Kim's unification formula is nothing but a means to perpetuate his grip on power in the North with his despotic rule intact, running against the surge of change and reform elsewhere in the world. Paradoxically, Seoul's efforts to promote dialogue and cooperation with the North may consequently help the Kim Il-song clique to consolidate its control of the northern people.

### DPRK Reporter on North Renunification Chairman

*SK1610024890 Seoul YONHAP in English 0239 GMT 16 Oct 90*

[Text] Panmunjom, Korea, Oct. 16 (YONHAP)—Reports that Ho Tam had resigned as chairman of North Korea's Committee for Peaceful Reunification of the Fatherland and his other official posts were wrong, a North Korean journalist said Tuesday.

"Ho retains the chairmanship of the committee for Peaceful Reunification of Fatherland and Yun Ki-pok is vice chairman of the committee," said the reporter, in Panmunjom to cover the passage of the South Korean prime minister into the North for the second inter-Korean premiers' talks in Pyongyang.

"Ho is in good health. The North is now full of vigor thanks to such events as the foundation day of the Workers' Party on Oct. 10, an inter-Korean friendly soccer match and a pan-national reunification concert," said the reporter, who refused to give his name or the organization he worked for.

He said he hoped more would be achieved in the Pyongyang talks than in the Seoul talks in early September.

### North Proposes Working-Level Red Cross Talks

*SK1610034090 Seoul Domestic Service in Korean 0300 GMT 16 Oct 90*

[Text] Today, North Korea proposed holding a working-level North-South Red Cross contact, which has been suspended since October, last year, in the conference room of the Neutral Nations Supervisory Commission on 15 November. Yi Song-ho, acting chairman of the North Korean Red Cross Society Central Committee, sent a telephone message to [South] Korean National Red Cross President Kim Sang-hyop this morning and advanced this proposal.

In today's telephone message, the North Korean side insisted that, because last year the South Korean side built an artificial barrier regarding the content of the North Korean side's artistic performance, which is no problem at all, thus suspending the working-level Red Cross contact for a year, the result is that the second artistic troupes and home-visiting groups could not be exchanged.

### No Tae-u Receives Letter From Gorbachev

*SK1610102890 Seoul Domestic Service in Korean 0900 GMT 16 Oct 90*

[Text] Yi Su-chong, spokesman for the presidential office, announced today that Soviet President Gorbachev had expressed his hope for a ROK-USSR summit in a letter to President No Tae-u.

In his letter, which was dated 12 October and postmarked from the Kremlin, President Gorbachev said he hoped that a ROK-USSR summit would be realized in the course of maintaining comprehensive and productive contacts between Korea and the Soviet Union.

President Gorbachev, saying he had received a letter from President No last 1 October and would like to share the sense of satisfaction expressed by President No over the setting up of diplomatic relations between the ROK and USSR, stated that he believed the important decision concerning the establishment of diplomatic relations between Korea and the Soviet Union would lay

ground for developing broad ROK-USSR relations in the areas of trade, economy, culture, and science.

President Gorbachev also said it is his belief that in today's international situation, the Soviet Union and Korea should move not only toward a peaceful and fair settlement of the Korean peninsula question, but also toward guaranteeing peace and stability and strengthening cooperative relations favorable to each other by joining forces with many countries in Asia and the Pacific.

President Gorbachev's letter was conveyed today by the Soviet Consular Department in Korea and it was in reply to a letter President No had sent following the announcement of the establishment of ROK-USSR diplomatic relations on 1 October.

In his 1 October letter to the Soviet president, President No Tae-u stated that he was paying his respects to Gorbachev for his decision on the setting up of diplomatic relations, expressing his desire for an earlier realization of an exchange of visits by the top leaders of the two countries since the establishment of diplomatic relations have enabled them to push for development in the relations between the two countries.

Meanwhile, a Chongwadae source said that since President Gorbachev has reacted affirmatively in his letter to the idea of holding ROK-USSR summit talks, it is possible to foresee President No's visit to the Soviet Union and ROK-USSR summit talks during the first half of next year, although it is difficult to expect summit talks before the end of the year.

### No Congratulates Gorbachev

*SK1610092790 Seoul YONHAP in English 0915 GMT 16 Oct 90*

[Text] Seoul, Oct. 16 (YONHAP)—South Korean President No Tae-u has sent a message to Soviet President Mikhail S. Gorbachev to congratulate him on winning Nobel Peace Prize. "I firmly believe that your winning of the prestigious prize is a reflection of the recognition by world community of your great leadership which has decisively contributed to the world peace and security," No said in the message cabled Tuesday. "The historic changes the world is now witnessing owe much to your reform policies based on perestroyka. Recalling the useful discussion we had in San Francisco last June, I sincerely hope that your noble endeavors to promote global peace will help establish a durable peace in northeast Asia," he said.

The South Korean president also expressed his "best wishes" for the success of perestroyka and continued good health of the Soviet leader.

In a major change in northeast Asia, Seoul and Moscow have recently set up diplomatic ties. Meanwhile, Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party, sent a similar congratulatory message to the Soviet leader earlier that day.

### Banks Seek To Set Up Moscow Branches

*SK1610021390 Seoul YONHAP in English 0213 GMT 16 Oct 90*

[Text] Seoul, Oct. 16 (YONHAP)—Several South Korean banks are seeking to open offices in Moscow before the end of the year to meet the mounting needs of bilateral economic cooperation. The Export-Import Bank of Korea will open an office in Moscow as soon as the Soviet Government gives approval. Initial approval was given by Korea's Finance Ministry in July.

Kil Pyong-ki, a department manager, was nominated as chairman of the preparatory committee for the office and is in Moscow for language training.

Hong Chae-hyong, chairman and president of the bank, will meet with Vsevolod Sitnin, the Soviet deputy finance minister, Tuesday to discuss the matter and ways to expand economic cooperation between the two countries. Sitnin is Soviet chief delegate to working-level talks on a Korea-Soviet investment protection agreement.

Korea Exchange Bank, Cho-Heung Bank and Korea First Bank have applied to the Finance Ministry and Office of Bank Supervision and Examination for permission to open Moscow offices this year.

Cho-Heung is seeking access to the Soviet Union through one of its biggest clients, Jindo industries, which has a fur processing plant in Moscow.

### Minister, Soviet Official Agree on Investment

*SK1610011690 Seoul THE KOREA TIMES in English 16 Oct 90 p 9*

[Text] Finance Minsiter Chong Yong-ui and Soviet Vice Finance Minister Vsevolod Vladimirovich Sitnin held the identical view on the need of concluding an investment protection agreement during their talks in Seoul yesterday.

Sitnin is visiting here, leading six-member delegation, to discuss with Korean officials the conclusion of the investment protection accord.

While talking with Minister Chong at the latter's office, Sitnin was quoted as having expressed strong hope for increased economic cooperation with South Korea.

In a separate move, a working-level meeting on the conclusion of investment agreement was held with the Korean delegation being headed by Yi Yong-song, assistant finance minister for planning and management, and the Soviets represented by Sitnin.

Officials from both nations are likely to initial the investment protection agreement during the Seoul talks, under which investments of nationals or companies of either contracting party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other contracting party.

Nationals or companies whose investments in the other country suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot will be accorded fair compensation, under the agreement.

## Top Gorbachev Economic Adviser Due 26 Oct

*SK1210025990 Seoul YONHAP in English 0221 GMT 12 Oct 90*

[Text] Seoul, Oct. 12 (YONHAP)—Stanislav Shatalin, top economic adviser to Soviet President Mikhail Gorbachev, will visit South Korea Oct. 26 to discuss economic cooperation with Korean Government and business leaders.

Shatalin, a member of the Soviet Presidential Council, will stay in Korea until Nov. 9 to exchange views and seek ways of developing and expanding bilateral economic relations in talks with leaders of business as well as economic ministries, former Trade and Industry Minister Kum Chin-ho said Friday. Kum, as director of the International Trade and Management Institute, invited the top Gorbachev brain to Seoul.

Shatalin, an advocate of rapid transformation of the inefficient Soviet economic structure to a free market system, will reportedly meet President No Tae-u and Deputy Prime Minister and Economic Planning Minister Yi Sung-yun. A government official said most of Shatalin's time in Korea will be spent discussing the direction of economic cooperation between his country and Korea's private sector with business leaders as he was invited by a private institute. He did not rule out the possibility of Shatalin's discussing government-level issues of bilateral economic cooperation with Korean Government officials since his visit is a little before the visit of a Soviet Government delegation in November to finalize the scope and details of economic collaboration.

The economic reformer will also give a lecture on the Soviet economy and tour industrial complexes. He will be accompanied by his wife and two economic officials. The 56-year old presidential aide is doctor of economics and a member of the Soviet academy of sciences. He has played a major role in the elaboration of the theory and methods of balancing the Soviet economy, according a report by TASS, the official Soviet news agency.

South Korea and the Soviet Union established diplomatic ties Sept. 30 in New York.

## Soviet Consul Eremenko on Seoul-Moscow Relations

*SK1210232590 Seoul KYONGHYANG SINMUN in Korean 29 Sep 90 p 5*

[Interview with Leongrin Yefimovich Eremenko, first Soviet consul-general to the ROK, by reporter Kim Chung-il—date and place not given]

[Text] When I met Leongrin Yefimovich Eremenko, first Soviet consul-general to the ROK, his appearance reminded me of a principal of a rural elementary school even though he had served as a diplomat for a long time and who was also a high-ranking official for one of the superpowers—the Soviet Foreign Ministry.

It has been only one and a half months since his appointment, but with his fluent Korean, he seemed very busy in the small office of the consular department going about here and there without his suit coat—in just his shirt sleeves. This sufficiently showed the rapid progress in ROK-USSR relations—with the establishment of diplomatic relations close at hand—as well as the new Soviet enthusiasm stemming from their policy of openness and perestroyka which is changing world history.

When I asked him about the Soviet's opinion on North Korea's dissatisfaction over the establishment of diplomatic relations between the ROK and the USSR, he easily quoted a Korean maxim by saying that, "Time is medicine." He also showed the keen and unique insight of a diplomat by saying, "In today's Korean paper it seemed that the ROK was expressing dissatisfaction over the rapid approach in relations between North Korea and Japan. Don't you think that this is a similar phenomenon?"

When asked about the prospects of the 30 September ROK-USSR foreign ministers talks in New York, he emphasized that an outline has been agreed upon and said, "In the June San Francisco summit talks between President Gorbachev and President No Tae-u, principle agreement was reached on the issue of the establishment of diplomatic relations. Therefore, now is the time to discuss practical elements." He also said, "In the New York talks, only a few important issues will be discussed."

[Kim] What do you think are worth discussing between the two foreign ministers in the New York talks?

[Eremenko] Many issues will be discussed but since both ministers are on a tight schedule, it seems that the length of the talks will not be very long. First of all they will talk about the situation in the Persian Gulf. Both countries have the same opinion on this issue.

Second, they will talk about the situation in Northeast Asia, especially on the situation on the Korean peninsula. From this context, the issue of the establishment of diplomatic relations between the two countries will be discussed.

I'm not sure if the ministers will sign a protocol or not but there will be talk about the date for the establishment of diplomatic relations. Also, it seems that the issue of economic cooperation between the two countries will not be discussed in detail but from a general level.

[Kim] With regard to the establishment of relations between the two countries, prospects are high on mutual visits by the presidents of both countries.

[Eremenko] I do not know in detail about the issue of mutual visits. Mutual visits between the heads of states

of both countries is a good thing. This signifies that this is further developing the relations between the two countries to a higher stage. However, since we have not even established diplomatic relations and even if we do, it will take time in its preparations such as appointing an ambassador and so on. There are rumors that the visits will be in November or December, but it will be all right to exchange visits next January. There is not much difference but it is necessary to deal with this issue with carefully thought-out preparations.

[Kim] What are the prospects for economic cooperation between the two countries?

[Eremenko] The two countries have many goods to buy and sell. We have plenty of resources and can cooperate in various fields including the scientific, cultural, and sports fields. Also, Korea has its own developed technology such as producing television sets and radios. I believe we both have sufficient goods to exchange.

[Kim] Other than trade, joint venture projects are also of interest. Especially, both sides have much interest in the Siberian development project.

[Eremenko] The Soviet Union has not only the central government but also republics and local sovereign organizations. The issue of developing Siberia can be discussed in detail with the Russian Soviet Federated Socialist Republic and the Siberian sovereign government. Already the Hyundai Group and complexes in Siberia have relations. In the future, the Soviet Government will only be in charge of important policies in the field of diplomacy, defense, and transportation and the local sovereign organizations will be in charge of the rest. Therefore, no special agreements between the two countries will be concluded in the future.

[Kim] Don't you think that there should be an agreement on preventing double taxation or an agreement that guarantees the investment when engaging in joint investment projects?

[Eremenko] Of course, those two agreements have already been prepared. Sometime next week Deputy Finance Minister Sitnin will visit the ROK and talk about concluding these two agreements. If the ROK concludes these two agreements then ROK businessmen will have nothing to be afraid of (smile). Also on 29 September, the Soviet sports minister will visit the ROK via Japan and it is possible that an agreement will be concluded on sports exchanges.

[Kim] You served as a diplomat for a long time in North Korea. Can you tell us about the prospects for openness and reform in North Korea and on the Soviet's role in carrying these out?

[Eremenko] Openness is a worldwide trend. It is difficult to say how North Korea will turn out to be but we can make a guess. It will not be possible for them to lead an isolated life forever. Nevertheless, ultimately, this issue must be resolved by the North Koreans themselves.

Noninterference in internal affairs is a principle. Don't all people have a right to live as they please? This is the same in foreign affairs. We hope that tensions can be eased on the Korean peninsula and will do our best to achieve this. We are telling the North side that "it will be good to carry out reform."

Especially since the North-South premier talks did not bring about tangible results but it was a very important event. We hold that the talks have the possibility for opening North-South dialogue.

[Kim] North Korea is showing a very displeased reaction to the normalization of relations between the ROK and the USSR.

[Eremenko] It is all right. Time is medicine. We do not want to weaken relations with Pyongyang at the same time we are developing relations with the ROK. The Soviet Union and North Korea are allies. As an ally of Pyongyang, the Soviet Union is working to further develop relations with Pyongyang at a higher level. All countries of the world must have close relations with each other. Recently, in addition to Chile we have improved relations with Namibia and we are also positively discussing the issue of relations with Israel.

[Kim] What is the Soviet's position on the ROK's entry into the United Nations?

[Eremenko] Our position is that the issue of the entry into the United Nations must be decided upon by the North and South. It is not time to discuss this issue. If we don't make this a subject of discussion this year, then we can gain time until next year on this issue because then many changes will have taken place in the international situation. Some kinds of changes will have taken place in the Soviet Union and China. At that time it will be easier and time sparing to resolve this issue.

[Kim] When I met with the special committee of the Democratic Liberal Party for visiting the North some time ago, they said that an anti-Kim Il-song mood was taking place within the North Korean military and among the intellectuals.

[Eremenko] This is a generally logical story but there are some discrepancies in this report. There can be people in the ROK, the United States, and even the Soviet Union who oppose their government. I have nothing else to say.

[Kim] There are problems with regard to the office of the ROK consular department in the Soviet Union and in lodgings for the consul-general. Also we cannot even hoist our flag in front of the consulate. Is this because the Soviet Union is taking too passive an attitude?

[Eremenko] The housing situation in Moscow is not very good. We showed several apartments to Ambassador Kong No-myong but he said that he needed a bigger apartment. We are currently building an apartment for diplomats. The reason your flag cannot be hoisted is

that, at this stage, both countries have "limited consular relations." Be patient then all problems will be solved soon.

Mr. Eremenko added, "Since it has not been long since the ROK stepped onto the road of development, there are many conditions that do not fit." He explained the many issues arising in the ROK by joking that "this is because the ROK is producing too many cars," and stated his optimism and trust at the same time by frankly saying, "This issue will be resolved soon because your government is very interested in them and I also hope that your government will be successful in resolving these issues."

## Companies Likely To Increase Branches in China

*SK1610092590 Seoul YONHAP in English 0905 GMT 16 Oct 90*

[Text] Seoul, Oct. 16 (YONHAP)—South Korean companies will more than double the number of branches they have in China after Seoul and Beijing exchange trade offices this week, officials at the Korea Trade Promotion Corp. predict. The number of branches will jump from 13 to 30 by the end of the year in anticipation of increased trade and better investment incentives, they say.

Daewoo Corp. Hopes to add branches in Shanghai and Dalian to its Beijing branch. Daewoo became the first South Korean firm to set up a branch in China when it opened the Beijing branch in June 1985.

Samsung Co. and Lucky Goldstar International Corp. are also taking steps to open branches in Shanghai and Dalian by the end of December besides their Beijing branches. Hyosung Corp. and Sunkyong Ltd., the first Korean firm to win formal Chinese Government approval last month to open a Beijing branch, want to establish branches in Dalian in addition to their Beijing and Shanghai branches.

Until Sunkyong obtained the approval, all South Korean firms had had to open branches in the names of their affiliates in Hong Kong because there are no diplomatic links between Seoul and Beijing.

Hyundai will establish Shanghai and Dalian branches this year and has sent company officials to Shanghai and doubled its work force in Beijing. Hyundai opened the Beijing branch in April, behind other Korean conglomerates.

Fourteen small- and medium-sized companies have sent employees from Hong Kong to China on long-term missions and some want to set up Beijing branches.

## No Orders Cabinet Into 'Fight Against Crime'

*SK1510033390 Seoul YONHAP in English 0259 GMT Oct 90*

[Excerpt] Seoul, Oct. 15 (YONHAP)—President No Tae-u asked his cabinet Monday to bet the "pride and honor" of the government on a national fight against crime, and to restore political, economic and social stability.

No, in the first cabinet meeting since he declared war on crime Saturday, ordered the battle to begin at once. He said laws should be amended as necessary and anyone who is negligent or acts in contradiction to the anti-crime drive should be immediately reprimanded.

Gangsterism, the drug trade, human trafficking and kidnapping must be uprooted, and the fight against drunk driving must apply to everyone regardless of social standing to the point that the punishment is "almost cruel," he said. "The announcement on Oct. 13 was to put the government in the forefront of the anti-crime battle and to bring the will of the people together under the cause," No said, urging the cabinet to work "as if being reborn" to bring changes that people can see. [passage omitted]

## Further on No's Statement

*SK1310023690 Seoul YONHAP in English 0155 GMT 13 Oct 90*

[Text] Seoul, Oct. 13 (YONHAP)—South Korean President No Tae-u, trying to defend his government from charges of incompetence by going on the offensive, declared war on crime and violence Saturday. "Ushering in the second half of my term of office, I declare war on the crime and violence wreaking havoc on our community, and will stamp them out, invoking all presidential powers under the Constitution," said No in a speech wrapping up a dialogue with a group of people from various walks of life.

The speech and subsequent "dialogue with the people" where 260 people took part in the presidential residence, Chongwadae, was broadcast live on television.

No said: "The government will mobilize all its prosecution and police forces to sternly deal with crime and violence. All policemen on outside-office duties will be armed to combat crime and violence face-to-face."

The chief executive said along with the mopping up of crime and violence, the government will seek to banish illegality and disorder, address profligate consumption, speculation, decadence and pleasure-seeking to establish a healthier society. "To build a society without crime, the community should have the deterrence. The government will take measures to guarantee the safety of citizens who report crimes and provide evidence, and to prevent retaliation. The government will also take legal steps to honor and compensate citizens injured while struggling to capture robbers, and others who uphold justice."

In South Korea, where felonious crimes are comparatively rare due to the influence of Confucianism, public outrage is mounting over a wave of murders, kidnappings and assaults on witnesses in criminal trials.

Saying the war on crime and violence will not be a temporary measure, No warned that unless it paid off, extreme measures will be considered to tackle it. He did not elaborate.

Reasoning that the widespread tendency to extravagance, pleasure-seeking and decadence, and money-making through speculative means, are begetting conflicts and crimes, No said leading figures in various sectors of society and government should stand in the vanguard of the struggle for reconciliation and unity. There was no mention, during the dialogue, of the controversial surveillance of civilians by the Defense Security Command, which cost the defense minister and the military intelligence body's chief their jobs.

## Justice Ministry Seeks To Double Sentences

*SK1510070590 Seoul YONHAP in English 0656 GMT 15 Oct 90*

[Text] Seoul, Oct. 15 (YONHAP)—The South Korean Justice Ministry is drafting legislation to double the maximum definite prison sentence to 50 years as part of a campaign against crime and violence launched by President No Tae-u on Saturday.

"The Justice Ministry is preparing a special criminal bill to curb the ever-rising and more heinous crimes and violence, which have reached a dangerous level threatening the order of society," a ministry spokesman said on Monday.

The ministry wants judges to use the 50-year term against murder-rapists, kidnappers of children, human traffickers, home destroyers, participants in organized violence and drug dealers. Under the current penal code, the maximum definite term is 25 years, in addition to which there is indefinite imprisonment and the death penalty. The ministry will present the bill to the National Assembly this year and will ask the judiciary to create special benches to deal exclusively with brutal criminals, he said.

The ministry will build a maximum security prison by 1992 that is designed to isolate criminals from society rather than prepare them for social return.

In the new bill, organized crime or armed violence will draw a seven-year minimum, up from five years, the spokesman said.

## Restrictions on Police Firearms Use Relaxed

*SK1510052290 Seoul YONHAP in English 00504 GMT 15 Oct 90*

[Text] Seoul, Oct. 15 (YONHAP)—Restrictions on the use of firearms by policemen will be relaxed as pa[rt] of president No Tae-u's war against crime, a governm[ent] official said Monday. The government will revise the l[aw] so that policemen can use their guns more freely, he said.

Police will be able to shoot anyone who commits a crime that carries a one year jail term or more and resists arrest, he said. The current law limits the use of guns to crimes punishable by three years in prison.

He said 45,000 policemen, or 65 percent of the total, will carry guns or gas guns while on duty. The Home Ministry will hire 16,295 policemen by 1992 and make it mandatory for all policemen on patrol to carry weapons. It will reassign 22,000 police officers on administrative duty and 1,236 vehicles to the war on crime.

The ministry will transform 551 temporary check points into permanent ones and strengthen checks in concert with military police. It also plans to crack down on organized crime and illegal parking.

No, trying to defend his government from charges of inaction by going on the offensive, declared war on crime and violence Saturday. "Ushering in the second half of my term of office, I declare war on the crime and violence wreaking havoc on our community, and will stamp them out, invoking all presidential powers under the Constitution," No said in a nationally televised address.

## 228 'Hoodlums, Scoundrels' Arrested

*SK1310051090 Seoul YONHAP in English 0503 GMT 13 Oct 90*

[Text] Seoul, Oct. 13 (YONHAP)—South Korean police arrested 228 people, described as "hoodlums and scoundrels hanging around cabarets and dance schools," Friday and booked 1,4[illegible]thers without physical detention. The roundup was [illegible]nched at midnight all across the country by some [illegible],000 policemen, a spokesman for national police hea[illegible]rs said Saturday.

Another 7,185 [illegible]ople were turned over to summary courts or relea[illegible]d after receiving an admonition, the spokesman sai[illegible]. They mostly ran illegal cabarets and dance schools [illegible]r were housewives, he said.

President N[illegible] Tae-u declared a war against crime in a nationally televised speech Saturday.

## DLP, PPD Seek Talks on Normalizing Assembly

*SK1510032990 Seoul YONHAP in English 0249 GMT 15 Oct 90*

[Text] Seoul, Oct. 15 (YONHAP)—Negotiations between the ruling and opposition parties are expected to resu[illegible]e this week, ending a nearly three-month-long su[illegible]ension of parliamentary politics, because the Demo[illegible]ic Liberal Party (DLP) has replaced its floor leader a[illegible] changed its attitude toward the opposition's [illegible]nds. DLP Floor Leader Kim Yun-hwan said [illegible]e would call on Kim Tae-chung, leader of the [illegible]on Party for Peace and Democracy (PPD), [illegible]uesday, after being endorsed in a DLP caucus.

Kim Tae-chung is on the eighth day of a hunger strike, demanding the ruling camp accept his party's four conditions to break the political deadlock.

The new DLP floor leader contacted PPD Floor Leader Kim Yong-pae after President No Tae-u named him to replace Kim Tong-yong Friday. The two floor leaders tentatively agreed to meet formally on Wednesday to start negotiations on normalizing politics, sources said Monday. DLP Floor Leader Kim said the success of the talks will depend on whether they can narrow differences over local autonomy.

Beginning a hunger strike Oct. 8, Kim Tae-chung set out four demands, including full implementation of local autonomy and a declaration that the DLP will not introduce a cabinet system of government. DLP Executive Chairman Kim Yong-sam, bewildered by the opposition leader's hunger protest, paid him a surprise visit on Thursday to convey the DLP's favorable reaction to his demands. Kim Yong-sam, No's no. 2, reportedly told Kim Tae-chung he might accept the demand that heads of local administrations be elected before the presidential election in 1993.

In regard to the success of inter-party negotiations, he said, "informal contacts are under way and parliament will be normalized in the near future."

A source close to Kim Tae-chung said the ruling party is trying to satisfy the PPD's demand that it abandon the introduction of a cabinet system by declaring that "constitutional change is impossible if the public opposes it." Such a settlement will be acceptable to the PPD, but difficulties will emerge when the two parties discuss the controversial issue of local autonomy, sources said.

The PPD wants the mayors of Seoul and five other special cities, nine provincial governors and the heads of lower local administrative units to be elected before the 1993 presidential election. The government is strongly opposed to the PPD demand and says the election of local leaders should be introduced slowly.

The ruling camp will prepare a program for local elections in a meeting this week of No, Kim Yong-sam and DLP Co-Chairmen Pak Tae-chun and Kim Chong-pil to effectively deal with the negotiations with PPD, the sources said.

The PPD's 70 lawmakers, including Kim Tae-chung, quit in late July to protest the DLP's railroading of 26 bills through the assembly. They submitted their resignations en masse, along with seven lawmakers from the splinter Democratic Party, to the speaker, calling for immediate general elections. Speaker Pak Chun-kyu returned the resignations in September, appealing to them to return. They refused to do so, sticking to their demands but dropping the call for early general elections. The hardline protest reached a new level when Kim Tae-chung began his hunger strike a week ago.

## * Various Clubs Active in National Assembly

*902C0306 Seoul CHUGAN CHOSON in Korean 12 Aug 90 pp 62-64*

[Article by reporter Kim Chang-ki]

**[Text] "Kwanakhwe", Characterized as Friendship Club, Holds Gatherings To Celebrate Its Members' Promotion or Appointment as Cabinet Members**

A unique commemmorative event never before seen took place in the morning of 24 June, the day before the 40th anniversary of the Korean war along the 2 km-long street stretching from the former Army Headquarters in Yongsan to the Seoul Railroad Station plaza. In this unique event sponsored by the Korean Veterans Association, the men who fought in the Korean war marched along the street in their combat outfits adorned with their rank and medals. Among them were many reputable retired generals such as Kim Chong-pil, Kim Pok-tong, Paik Son-yop, So Chun-yol, Pak Chun-pyong, Kim Song-un, Yu Hak-song, and Kim Chong-kap, who drew the attention of reporters. The old soldiers, who finished their march, expressed their joy over holding this kind of event for the first time in 40 years. The event ended with a luncheon meeting in the Sechong Hall of the Sechong Cultural Center.

Few people, however, know that a new veterans club was formed within the National Assembly after the marching event. A club called "Muhakhwe" was formed in early July, under the initiative of assemblymen Kim Chong-pil and Yu Hak-song. It consists of veteran assemblymen with former ranks equivalent to army major or higher. At the founding golf meeting held at the Anyang Country Club, 19 veteran assemblymen showed up among the 28 who expressed their intention to become members of the club. The current chairman is Yu Hak-song and the secretary is Yi Kwang-no. Since the opposition party members such as Chong Ung from the Party for Peace and Democracy [PPD] did not join the club, it is in fact a club consisting only of veteran assemblymen of the Democratic Liberal Party [DLP].

As for the characteristics of the Muhakhwe, assemblyman K who is one of the members, precluded the political nature of the club by saying, "It is purely a friendship golf club. We gather once a month for friendship promotion," and "the club was formed at the initiative of Rep. Kim Chong-pil after the street march on 24 June."

Another unofficial club whose characteristics are different from the Muhakhwe was formed on 21 May and drew the people's attention. The club consists of senior assemblymen from both the ruling and the opposition parties. They meet regularly to discuss important pending issues. The nine members of this club from the National Assembly are Kim Yong-hwan, DLP Policy Committee chairman; three DLP assemblymen, Nam Che-hi, Yi Chong-chan, and Hwang Pyong-tae; Kim Yun-hwan, first minister of state for political affairs;

Cho Se-hyong, the PPD's Policy Committee chairman; Cho Sun-sung, PPD assemblyman; and two assemblymen from the Democratic Party, Yi Chol and Kim Kwang-il. The name of the club is "Current Affairs Forum." The participation of non-assemblymen, Yi Pu-yong, executive chairman of Minyonchu, and journalist Pak Kwon-sang, makes this club unique.

The Current Affairs Forum members gather approximately once a month and discuss important contemporary issues. The discussions represent the members' personal opinions, not those of the political parties' to which they belong.

The topic of the third meeting in July was the parliamentary government system. The assemblyman Hwang Pyong-tae who was the initiator of this Forum emphasized the pureness of this club by saying, "The purpose of this club is to discuss contemporary political issues among contemplative people from the ruling and the opposition parties. There is no political motivation in this club." Unlike other assemblymen clubs, this Forum has a balanced geographical membership of senior assemblymen from different political parties.

The common aspect of the Muhakhwe and the Current Affairs Forum is that they are nonpolitical clubs. On the occasion of the birth of these two clubs, an investigation was made as to what other nonpolitical clubs consisting of assemblymen exist.

First of all, there is a club called Kwanakhwe [Kwanak is the name of the mountain where the SNU campus is located], consisting of assemblymen who are Seoul National University (SNU) alumni. This club was formed in 1986 when the SNU was the center of radical student movements by the Minmintu and Chamintu, the two leading radical student organizations. The SNU alumni assemblymen within the then Democratic Justice Party [DJP] formed the "DJP Kwanakhwe" by declaring, "We cannot remain silent when our alma mater suffers from an ideological dispute, a situation similar to the confrontation between the leftists and the rightists right after the Korean liberation from the Japanese occupation in 1945." It changed its name to "Kwanakhwe" by merging the SNU alumni in the New Democratic Party. Contrary to its original founding purpose, it remains purely a friendship club. Current membership totals 92; its chairman is Chae Mun-shik (DLP); its secretary is Chong Chong-taik; and Kim Yong-sam, Kim Chong-pil, Pak Chun-kyu, and Kim Che-sun form the advisory group. The only recent activities have been to gather to celebrate the occasion of SNU alumni's promotions or appointments as cabinet members, whenever there is a reshuffle in the cabinet or in the standing committee chairmanships in the National Assembly. It is known that about 50 Kwanakhwe members met at the Chonkyongryon Hall when there was a large-scale reshuffle in the National Assembly standing committee chairmanships during the early part of the last special session of the National Assembly.

**"Chongkakhwe," A Buddhists Club and "Breakfast Prayers' Club," A Christians Club**

In addition to "Kwanakhwe," there are six university alumni friendship clubs in the National Assembly; Korea University, Yonsei University, Chungang University, Songkyunkwan University, Konkuk University, and Tongkuk University. It is also known that there are many meetings among high school alumni although they are not officially organized.

There are three religious clubs; a Christians' club called "Breakfast Prayers' Club," the "Catholics' Club," and a Buddhists' club called "Chongkakhwe." The Breakfast Prayers' Club consists of 76 assemblymen from both the ruling and the opposition parties. Assemblyman Yi Chin-u (DLP) is the chairman and the three Kim's [Kim Yong-sam, Kim Tae-chung, and Kim Chong-pil] and Kim Che-sun serve as an advisory group. They have a prayer meeting on the first Wednesday of each month in the prayer room of the second basement of the Capitol building; an average of 15 members attend each meeting. Two Catholic assemblymen, Kim Il-tong and Kim Hyon-uk, are known to attend this Christian club meeting. For the past two years, this club has been promoting a campaign to help poor adolescent heads of households at the end of each year.

The membership of the Catholics' Club totals 45 from both the ruling and the opposition parties. The chairman is Yu Hak-song, who is also the chairman of the Muhakhwe. The vice chairmen are Chong Tong-song, Kim Yong-pae, Shin Wan-ku, and Choe Kak-kyu.

The Chongkakhwe, whose chairman is Kim Tae-ho (DLP), holds a Buddhist mass once a month at the Chokesa temple. In addition to the regular meeting, they provide advice to Buddhist circles and act as a mediator between the government and the Buddhist circles. The club has 46 members and a group of five advisors; Yun Kil-chung, Son Chu-hang, Kim Che-kwang, Kim Yong-che, and Pak Tae-chun. At the end of last year, a team of 10 members showed zeal by making a pilgrimage to India, Thailand, and Sri Lanka for a week.

Clubs of the same family name are the Chonchu Yi Family Club and the Chouhwe which consists of assemblymen having the family name, Cho. The Chonchu Yi Family Club, which was founded by the 12th president of the National Assembly, Yi Che-hyong, has a total membership of 22. Assemblyman Yi Tae-sop (DLP) is the chairman and Yi Kang-hi is the secretary. The opposition party assemblymen, Yi He-chan and Yi Chol-yong are also members. They get together approximately once a month in Building 63. In addition to assemblymen, high ranking government officials who are deputy ministers and above and some senior journalists are known to attend the meetings.

**Ten Assemblymen Having Family Name, Cho, Formed "Chouhwe"; Yu Hak-song and Chong Chong-taik Hold Chairmanships of Two Clubs**

The Chouhwe was organized last year by 10 assemblymen having the family name Cho under the initiative of Cho Nam-uk (DLP). Cho Nam-uk is chairman. They made it a rule to meet once or twice a year with husbands and wives.

The "13 Hwe" is a club consisting of the first-time assemblymen of the former Democratic Justice Party faction of the new Democratic Liberal Party from the Inchon and Kyongki areas. They meet on the 13th day of each month to discuss practical matters such as information exchange, discussion of merits and difficiencies of their activities in their election districts, and converging suggestions to the administration, cities and provinces. The "13 Hwe" was organized in June 1988 during the 13th National Assembly and has 14 members. Hwang Chol-su is chairman and Chon Yong-won is secretary. They met on 13 July at the Japanese restaurant in the Hotel Manhattan in Youido. It is widely known that the club is getting indirect temptation as well as attention from core members of the DLP who are trying to expand their power.

The "Assemblymen Calligraphy Club", whose chairman is Yun Kil-chung, holds an annual exhibition of calligraphy, which is the only club activity. Because of the complicated political situation in the 13th National Assembly, they did not even have time to hold a general meeting of the club. Although they planned to have a general meeting of the club among assemblymen of the 13th National Assembly on 20 July, it was cancelled due to the general resignation of the opposition party assemblymen. Among the current 35 members, Yun Kil-chung and Kim Yong-chae are known for their excellent calligraphy skills. The club has been sponsoring joint exhibitions of calligraphy by Korean, Japanese, and Taiwanese assemblymen every other year.

Furthermore, there are social service clubs such as the League of Scouts, 4H Club, JC Club, Lions' Club, and Rotary Club. The League of Scouts, whose Chairman is Kim Chong-ho (DLP), has about 40 members who had experience in Scout activities during their school days. They have already organized a special committee within the National Assembly to provide assistance to the World Jamboree which is scheduled to be held at Sorak Mountain next year. They are currently working on establishing the World League of Scout Assemblymen. As an initial step, they established a preparation committee last March for the World League with delegates from Japan, Kenya, Egypt, Costa Rica, England, and the Philippines, representing each continent.

Chong Chong-taik is chairman of both the 4H Club and the JC Club. The 4H Club has 124 members and the JC Club has 25. Chairman of the Lions' Club is Kim Mun-ki and its membership totals 54. Yi Ung-hi is chairman of the Rotary Club whose membership totals 20.

One assemblyman's aide commented on these nonpolitical clubs by saying, "It is desirable for assemblymen to meet frequently for nonpolitical purposes. Once they become political, however, it has been a tradition that top party leaders dissolve the club." He cited the following examples that had been dissolved in the past; the Kyongkuhwe, which was a club consisting of former Democratic Justice Party assemblymen from Taeku, Kyongpuk area, the "12 Minchonghwe", a club consisting of the first-time assemblymen of the 12th National Assembly, and the Palkonghwe, a club consisting of the opposition party assemblymen from Taeku, Kyongpuk area.

*** Impact of Mideast Crisis on Korea Examined**

*902C0310 Seoul MAEIL KYONGJE SINMUN in Korean3 Aug 90 p 3*

[By reporter Kim Se-hyong]

[Text] The Iraqi occupation of Kuwait and the Mideast war, coming on the heels of the increase in the benchmark oil prices by the Organization of Petroleum-Exporting Countries (OPEC), are raising fears that a third oil shock may be in the offing for us.

As an immediate effect, the prospects for Kuwaiti oil shipments have become unclear and oil prices jumped as much as 15 percent overnight. All this causes immense anxieties to our country, which depends on imported oil for its entire oil supply.

On 2 August, when the blitz occurred, the price of British Brent oil soared nearly 3 dollars from $20.40 to $23.20 per barrel overnight.

Meanwhile, on the Singapore market Dubai oil suddenly exceeded the $20 mark, regarded as a high oil price level, by jumping from $18.70 to $20.20.

Thus oil prices have renewed the peak level of the year at one stroke. (Dubai oil jumped from $17.39 at the beginning of the year to $21.12)

That is not all. Kukdong Oil Company has become unable to import the 1.3 million barrels of Kuwaiti oil originally scheduled to be loaded for shipment on 3 August. Kukdong Oil has another 1.2 million barrels of Kuwaiti oil scheduled to be loaded on 16 August, and this shipment also has become uncertain.

The daily average of oil imported from Iraq and Kuwait is 109,000 barrels, or 11.8 percent of our total daily oil imports. An official of the Ministry of Energy and Resources predicts that "we do not expect any trouble about oil imports from Iraq, but it will be difficult to secure oil imports from Kuwait."

The daily oil imports from Kuwait total 75,000 barrels, of which 30,000 barrels are imported by Korea Petroleum Corporation and 45,000 barrels by Kukdong Oil. Kuwaiti oil accounts for 8 percent of our total oil imports.

In the first half of the year Kuwait oil imports totaled 12.68 million barrels ($198 million), or an increase of 56.9 percent from 7.2 million barrels in the corresponding period of 1989. Kuwait is the fifth largest source of our oil imports after Oman, the United Arab Emirates, Iran, and Malaysia.

If the state of occupation continues even for only 1 month, it would cause a shortfall of 3.1 million barrels, including the suspension of the scheduled shipment of 2.5 million barrels plus 600,000 barrels of spot purchases.

This shortfall corresponds to our 4-day oil supply because the daily average of our oil imports in the first half of 1990 was 928,000 barrels.

As the securing of oil imports and the soaring oil prices became an acute problem, the Ministry of Energy and Resources on 2 August organized a government-private sector emergency countermeasures group consisting of five petroleum firms and the chief of the Middle East section of the Foreign Ministry, chaired by Yi Kye-sik, oil supply coordinator at the Ministry of Energy and Resources. The group immediately swung into action to assess the situation.

At the 2 August meeting of the emergency countermeasures group, it was decided that the five oil refineries each organize a separate countermeasures team led by an official at the vice presidential level, to secure the government-assigned oil import target amount, and that a loan from the government's oil reserve be provided to fill their immediate oil import shortfall.

The assigned amount of oil imports to be secured by the five oil companies is: 7.9 million barrels in August, 8 million barrels in September, and 9 million barrels in October.

As of now, the government's oil reserve is 38 million barrels.

Even if the whole amount of 109,000 barrels of Iraqi and Kuwaiti oil is to be suspended, there would be enough oil to sustain us for 348 days.

For this reason, Yi Hui-il, minister of energy and resources, has asserted that "the Mideast war will not disrupt our oil supply for a considerable period."

In addition to the emergency measures cited above, the Ministry of Energy and Resources has dispatched emergency instructions to our embassies in oil producing countries to do their best to secure oil imports. The ministry plans to diversify the sources of oil imports.

The Middle East accounts for 75.1 percent of our total oil imports, and this percentage is 5.1 percent above the 70 percent line, which is regarded as an optimum share for that area. The ministry admits that with our dependence on OPEC countries for oil supply reaching 58.6 percent, our present sources of oil are not appropriate for a secure oil supply.

Oil prices draw no less attention than the securing of oil supply.

The dominant opinion among experts is that oil prices, which jumped to the $20 level at one stroke, will move on a rising curve amid uneasiness until the Middle East war comes to a smooth end.

At the last OPEC general meeting, the quotas assigned to Iraq and Kuwait were 3.14 million and 1.5 million barrels respectively, their combined total being 4.64 million barrels, or ¼ of the OPEC total of 22.49 million barrels.

Accordingly, if Iraqi refuses to pull out of Kuwait in several weeks as predicted by foreign dispatches, oil prices will become all the more fluid.

Particularly, under the circumstances when Kuwait is asking for U.S. military intervention and U.S. fleets are heading for the Persian Gulf, if Iraq should counter by military action, the world's oil shipments would be endangered, with the possibility of its touching off a dreaded third oil shock.

Yi Kye-sik, oil supply coordinator at the Ministry of Energy and Resources, has cautiously predicted that "although the prospects are very obscure, oil prices will continue on a rising trend amid uneasiness."

If oil prices should rise any further, the government plans to release its 1.6 trillion won oil reserve fund to ease price rises.

But, if oil prices should remain at a high level in excess of $20, a reserve fund of this size would not able to sustain us for a long while.

The unit import price per barrel was $13.89 in 1988, $15.81 in 1989, and $16.40 in the first half of 1990. The difference between the $18.00 fixed by the government and the actual import prices has been paid into the government's oil reserve fund.

But, now with oil prices above the $18.00 mark, the time has come for the government to find it necessary to release the reserve fund.

Supposing the value of the won remains at the rate of 720 won to the dollar, if the price of oil rises to $20.00, 540 billion won (estimate for 1991) would have to be released from the oil reserve fund. Even if the oil import duties were lowered by 1 percent from the present 10 percent, this alone would cause a release of 280 billion won from the oil reserve fund.

If the oil price increases to $22.00, it would require a release of 1,072.5 billion won from the oil reserve fund. But if this amount is not released, it would cause oil prices to rise by 20 percent.

Of the current oil reserve fund of 1.6 trillion won, 1.2 trillion won is loaned to the government budget as a special fiscal loan fund, and it will not be easy to call in

this loan. This leaves only 40 billion won for use in price adjustment. As a consequence, if the oil import duties are lowered by 1 percent, with the assumption that oil prices would remain at the $22 level, the oil reserve fund would be depleted in slightly over a year, necessitating an immediate rise in oil prices.

Despite all this, the amount of oil imported in the first half of the year increased by 18.8 percent, and the total amount of energy consumed (in terms of petroleum) increased by more than 30 percent, raising the specter of an acute oil shock.

## * Kim Tae-chung's Election Strategy Revealed

*902C0305 Seoul CHUGAN CHOSON in Korean*
*No 1113, 12 Aug 90 pp 10-13*

[Article by reporter Yi Chin-kwang: "Confident of Victory in a Direct Presidential Election, Searching for a 'Running Mate From Yongnam'—Strategy of Kim Tae-chung Who Is in for a Third Challenge to the Presidency"]

[Text] Kim Tae-chung, with a view to expanding his support base for the grand battle expected for late 1992, has taken his stand on the constitutional amendment issue.

### His Vice Presidency Plan Creates a New Stir

Kim Tae-chung's step has grown brisker and his destination has become clearer. He is heading for the presidential election expected for late 1992. It will be his third challenge to the presidency.

On his reelection as PPD [Party for Peace and Democracy] president at the national party convention on 27 July at the Korean General Trade Fair Hall in Samsong-dong, Seoul, Kim Tae-chung, in his acceptance speech, unveiled part of his plan for the next presidential election. Noteworthy is the fact that he proposed the creation of a vice presidency and a runoff vote for president in that speech.

He said: "... Like in other industrialized democracies, we should adopt the vice president system to end regional animosity and to prepare for any emergency involving the president. The office of vice president thus created should not be a mere formality but be granted substantive power such as the role of vice chairman at a cabinet meeting. ... Also, I will pursue a constitutional amendment for a runoff vote in the presidential election so as to promote political stability backed by the support of a majority of the people. I will put this constitutional amendment plan in the platform for the next general election for the National Assembly and campaign to secure the two-thirds majority required for a constitutional revision...."

Analyses indicate that the Kim Tae-chung proposal created a new stir in a political world that had already been showing complex moves. Observers find it noteworthy that Kim took his stand concerning the constitutional amendment issue at a time when the opposition members' resignation from the National Assembly and a merger of the opposition camp have become major political topics.

In a nutshell, observers see the Kim Tae-chung plan as based on a strategy to expand his support base step by step in preparation for the "grand battle" expected for late 1992. The plan is premised on a few factors.

The first premise is that the cabinet system constitutional amendment plan—which some DJP [Democratic Justice Party] faction members and the NDRP [New Democratic Republican Party] faction in the DLP [Democratic Liberal Party] still refuse to give up—proves to be a virtually impossible plan. It appears that Kim Tae-chung is quite confident that the cabinet system plan is already in a tight corner. "Constitutional amendment for a cabinet system? They can try to have it if they want. Then they will find themselves digging their own graves." Such is the air of self-confidence around the PPD and its president, Kim Tae-chung. Their self-confidence is based on the public opinion hardly showing a favorable response to the cabinet system amendment.

Also contributing to the self-confidence of the PPD and Kim is the fact that the factions within the DLP are still divided over the cabinet system plan. Passage of a constitutional amendment bill through the 299-seat National Assembly requires the consent of two thirds of the assemblymen or more, that is 200 or more. If 19 of the 218 DLP assemblymen should break with the ranks in the vote, which is open, the ruling party's amendment plan will go down the drain. This means that a rebellion of part of the RDP [Reunification Democratic Party] faction is enough to defeat the DLP amendment move.

### "Kim Tae-chung the Only Opposition Candidate"

Even if the DLP could settle its domestic feud and manage to line up its assemblymen for the vote without a hitch, it inevitably will have to resort to some massive irregularities to secure the passage against the anticipated desperate resistance of the opposition. Unthinkable is any repetition of instant railroading of a bill in the chamber hallway as in the last extraordinary National Assembly session. "Any objection?" "No objection." "Then the bill is declared passed." That sort of voice vote does not apply to a constitutional amendment bill. The open vote by each and every assemblyman whose name is called physically requires a considerably long time to complete however hard the DLP may try to cut it short. If opposition members should occupy the chamber in a struggle to obstruct the passage, the DLP will have no alternative but to move the action to another place. It would be reminiscent of the way the motion for taking Assemblyman Yu Song-hwan into custody—over the "anti-communism as national policy" issue—was handled in the Fifth Republic days. DJP

assemblymen then mobilized police under the National Assembly Law escort clause and kept opposition members from approaching the National Assembly building; then they carried out the vote in the upper house chamber.

However, things have changed now. First of all, it is absolutely unthinkable this time that opposition members will leave the upper house chamber open to them. Also, the revised National Assembly Law bars police from being mobilized to guard the National Assembly premises. The escort clause only applies to National Assembly security guards. Thus, it has become virtually impossible to hold back opposition members physically. The only way left would be for the DLP to find a third place away from the National Assembly building to carry out a blitz-style railroading. When the constitutional amendment authorizing assemblymen's reelection to the third term was rammed through the National Assembly (which was then located in Taepyongno), the ruling party used the assembly's No. 3 annex hall for that purpose. There is no such thing as an annex hall now, however. Thus, the only conceivable place is the National Assembly Library or the Assemblymen's Office Building at best. The possible scenario would be that DLP members meet in the National Assembly Library and lock it up from inside, then make maximum use of security guards against physical charges by opposition members, thereby gaining time required to handle the vote.

Is it really a feasible scenario? Doubtful is the answer. Even if they managed to get the amendment bill passed at a cost that high, there would be another big hurdle for them to clear, namely, the national referendum. It is no longer possible to block an opposition move at source as they did in the Revitalization Reform days. Suppose the amendment plan survives the referendum through the maximum mobilization of coercion, government power and money politics—although its effectiveness is doubtful—it still does not mean an automatic accession to power for the DLP. Next comes the general election and the DLP has to win in it to stay in power. If anyone should think that the DLP still can emerge as a majority party and form a stable cabinet-system government after all these troubles, he undoubtedly has a hole in his head or is an adventurist ignorant of political realities.

Thus, on the assumption that the constitutional amendment plan for a cabinet system is virtually dead for all realistic purposes, what would those politicians bent on power seek as their next step? Needless to say, it would be either the direct presidential election held under the current constitution and the present presidential election law, or a constitutional amendment altering the power structure and the election method while leaving the direct presidential election system intact.

Then, why did Kim Tae-chung come up his plan for the vice presidency and a runoff vote for President at this time? According to a prevailing observation, he firmed his judgment that the DLP cannot possibly carry out its cabinet system plan and, at the same time, chose to firmly demonstrate his will to take the initiative with a debate on a possible constitutional amendment centering on the direct presidential election system.

**Rumored Secret Accord With Yi Ki-taek**

It seems that there is another premise in Kim Tae-chung's strategy for the 1992 presidential election which he believes will be by a direct popular vote. It is that whoever emerges as the ruling camp's presidential candidate, the opposition will have no one but him, Kim Tae-chung, as its candidate, and that his third challenge has a chance of success. Although there is no telling whether things are really so, the political prospects in the eyes of Kim Tae-chung and his aides are apparently from that premise.

Who will be the opposition's 1992 candidate? Will there indeed be no one but Kim Tae-chung as the PPD and Kim himself think? It is a question not easy to answer at the moment. Nevertheless it is a subject worth analyzing.

Observers say, first of all, that this matter is closely linked to developments in the current negotiations among the PPD, the Democratic Party [DP] and chaeya [the reformist camp] for a merger of the opposition camp. In other words, if such a merger should materialize, it would enable the opposition camp to run a single candidate in 1992. At the moment, no opposition figure to challenge Kim Tae-chung for candidacy is on the horizon. It would be more so should the opposition's merger materialize. It can be said that this situation was well reflected in the widespread rumors sometime ago of an offer for a merger in the form of Kim Tae-chung remaining as a "permanent presidential candidate," although the PPD and Kim flatly denied it.

The problem is: what if the opposition's merger should misfire? It should be noted that the DP will come up with its own candidate should the merger attempt collapse. It is seen as a certainty that the DP will sharply increase its seats in the National Assembly in the 1992 general election. Then, it will obviously make a move to expand its base and to pave the way for 1997. Needless to say, there will be a movement for a single opposition candidate but, under the circumstances where they even have failed to attain the merger, a single opposition candidate would be an impossible proposition. In any case, Yi Ki-taek is about the only figure of a presidential candidate caliber on the DP side.

There is no doubt that Kim Tae-chung took all these factors into account. Observers agree that the vice presidency plan advanced by him is a multi-purpose plan that covers all of them. In case Kim Tae-chung announces his candidacy, the biggest problem will again be regionalism that remains as persistent as ever. In order to dilute the effect of regionalism and increase his vote-getting potential, it is necessary for him to bring in the vice president system and find a Yongnam figure for running mate.

The vice presidency plan is an effective card for the merger of the opposition parties, too. After all, the reason Kim Tae-chung assumed a very positive posture toward the merger is that he is trying to cover his regional weakness. This, one may say, is the background that spawned the widespread rumors of a secret accord between him and Yi Ki-taek.

However, it would be unreasonable to conclude that Kim Tae-chung is the only possible candidate to run from the opposition camp. Possible challenges by those "rising stars" should be taken into consideration. In the past, both Kim Tae-chung and Kim Yong-sam, who has gone over to the side of DLP, were among those who quickly rose to stardom under the watchword of "younger standard-bearer in his forties." It is not difficult to foresee that whether the opposition merger should come through or fall through, there will be an opposition figure or figures crying out for a "new standard-bearer in his forties" or a "generation change" and challenging the presidential candidacy. That is, regardless of their chances of success. Even for that contingency, the vice presidency plan is an attractive step for Kim Tae-chung, because an effective use of the running mate system will perhaps go a long way to neutralize the feeling of rejection among voters against Kim Tae-chung regionally, ideologically and generation-wise.

The same thing can be said about a runoff vote for president which he proposed. This precisely is the point indicating that Kim Tae-chung has decided to be a candidate for 1992 and is confident he has a chance of winning.

Whoever the ruling camp picks as its candidate, Kim Tae-chung will definitely fare no worse than the second place in the election. Observers predict that the 1992 election, if held under the same system, will feature a pattern different from the 1987 election. In their view, it is difficult to expect the same kind of cutthroat competition as Kim Tae-chung and Kim Yong-sam staged in the 1987 election to make No Tae-u the winner. Their observation is that as a strong candidate of the ruling camp and an equally strong candidate of the opposition come to grips with each other, there will be quite a few opposition candidates "testing the waters" for 1997.

**"The Proposed Runoff Vote a Lever for Vice Presidency"**

According to observations, Kim Tae-chung and the PPD feel that Kim's "campaign" has a chance of success on the grounds that the pro-Honam vote will remain unchanged and that there is little likelihood that the pro-opposition vote, independent of regional interests, will diminish.

The 6.113 million ballots cast for Kim Tae-chung in the 1987 election will remain intact in the 1992 election, too. The 8.282 million ballots for No Tae-u won and the 1.823 million for Kim Chong-pil were conservative votes and there will likely be no significant change about them either. The question is where the 6.337 million votes cast for Yong-sam in 1987 will go. Kim Tae-chung feels that he has a chance if he captures those committed pro-opposition votes that once went to Kim Yong-sam and if he stresses the need for a non-regionalist transfer of power to the eligible voters in their twenties who are sharply increasing in number. With regard to his proposal for a runoff vote, he, according to analyses, must have taken into consideration the fact that the votes for those candidates "testing the waters" for 1997 will largely be women's, and that he can use the one-on-one opportunity against the ruling camp's candidate that the runoff vote provides as his final opportunity to realize the transfer of power.

Some observers say that Kim Tae-chung perhaps proposed the runoff vote as a lever to obscure the focus of the ruling camp's argument for a cabinet system and attain his vice presidency plan. Opinions vary because little is known as yet of what Kim Tae-chung thinks about these matters.

Meanwhile, the Laurel Society led by Assemblyman Pak Chol-on, seeing that the cabinet system plan has no future, initiated a debate of a constitutional amendment for a genuine presidential system, which basically means revising the present system into a maximum of two consecutive 4-year terms and creating the office of vice president. Based on all these developments, some suggest that it is highly possible that the national political focus will shift from the constitutional amendment for a cabinet system to that for a partial revision of the direct presidential election system.

If the ruling leadership has firmed the judgment that the cabinet system plan is difficult to carry out, it would become inevitable for the ruling camp itself to reexamine its position and decide whether to hold on to the present constitution or introduce a partial amendment centering on the direct presidential election system. Depending on how the ruling camp responds, it is not impossible that the strained political situation will unexpectedly be eased, for contacts behind the scenes can sometimes produce clues leading to a settlement.

The DLP, seemingly aware of this point, is withholding a full-scale criticism and attack on the Kim Tae-chung proposal for vice presidency and a runoff vote system. Anyhow, both the ruling camp and the opposition are currently fully devoting their wisdom and resources to preparations for the 1992 "grand battle." In the midst of this vortex, only the general public unaccustomed to reading the secret designs and intents of those politicians is left puzzled and confused.

## Burma

### AFP Reports Troops Crush Rangoon Jail Protest

*BK1610065090 Hong Kong AFP in English 0628 GMT 16 Oct 90*

[By Erskine McCullough]

[Text] Bangkok, Oct 16 (AFP)—Troops stormed a Rangoon jail late last month and brutally suppressed a hunger strike, burying some injured prisoners alive, travellers returning from the Burmese capital and diplomats here said.

One businessman recently back from Rangoon said Tuesday that soldiers were ordered into Insein prison to put down a protest by inmates demanding that the ruling military junta transfer power to the National League for Democracy (NLD), the party which swept general elections in May.

"There seems little doubt that at least three inmates died when the troops moved in and began attacking the hunger strikers. The reports come from several creditable sources," said the businessman who asked not to be identified. "The city is rife with rumours and although it is difficult to confirm all the stories it is clear that the putting down of the September 25 protest in the prison was bloody and ruthless," he added.

One report tells of how prisoners injured in the attack in Insein were moved by van to another jail.

"When the van arrived several of the inmates had died of suffocation. As those left alive were ordered out they were taken to a freshly dug pit, thrown in, and buried alive," one traveller said.

According to one report, a policeman who was as the scene helped two of the injured escape by taking them to a nearby road and flagging down a passing motor car.

Observers in Rangoon reached by telephone on Tuesday said that although they had heard of the reports they were unable to confirm details. "However, there is enough evidence to confirm the military carried out acts of terror and bloodshed in putting down the hunger strike," sid one observer.

Bangkok-based diplomats said troops moved into the prison when about 80 to 100 inmates on hunger strike began chanting for the accounting of political prisoners and the handing over of power to the NLD.

"The ruling miitary junta sent in the troops and things seem to have got out of hand. The soldiers set about the prisoners with clubs and one unconfirmed report claims some of the clubs had barbed wire wrapped around them," one diplomat said. "The figure of dead varies between three and six with about 40 people injured, some of them seriously," he added.

The sources reported that calm had now returned to Insein, most of the prisoners involved in the protest having been moved to other prisons throughout the country. "It is as quiet in Rangoon as I have seen it," said one frequent visitor to the Burmese capital.

There have been continued reports of torture and other human rights abuses since the military seized control in a bloody coup in September 1988 that diplomats say left thousands dead.

Amnesty International reported earlier this year that torture by the junta was rife throughout the country. "At least six military and civilian security agencies operating in more than a dozen different centers across the country have been routinely torturing detainees over the past two years," the London-based human rights organisation said.

The junta has repeatedly denied the allegations and earlier this month it confirmed that Professor Sadako Ogata, an observer for the United Nations Human Rights Commission, is to visit Burma to study the situation. Her appointment follows a meeting of the U.N. Human Rights Commission in February when the alleged human rights violations of the Burmese Government were harshly criticised.

### Ethnic Insurgents Reportedly Kill Seven

*BK0810031690 Bangkok THE NATION in English 8 Oct 90 p 4*

[Text] Tak—Seven Burmese died and seven others were wounded on Friday morning when ethnic insurgents ambushed a 40-truck goods convoy enroute to Myawaddy border township.

Merchant sources said on Saturday that three of the 40 trucks were travelling from Kawkareik to Myawaddy, which is opposite Thailand's Mae Sot district of Tak, when they came under fire from an unknown number of terrorists armed with AK-47 and M-16 sub-machine guns. At least seven Burmese, three of whom were troops, were killed and seven others wounded.

The sources said the Burmese troops on the convoy were to replace those stationed at the Thai-Burmese border.

### UN Officials Defend Development Aid to Rangoon

*BK1310022890 Bangkok THE NATION in English 13 Oct 90 p A2*

[By Ann Danaiya Usher and Nanthiya Tangwisuthichit]

[Text] Officials of the United Nations Development Programme [UNDP] yesterday defended the agency's development assistance to Rangoon, in the wake of criticism by Burmese student dissidents. Arguing that all UN agencies are "non-political," New York-based Deputy Regional Director for Asia Arthur Holcombe said, "we do not try to judge the character of the governments ... we only work to improve the quality of life of the people."

The All-Burma Students' Democratic Front (ABSDF), which had received news of an expansion in the UNDP programme in Burma, issued a statement this week condemning the agency for "insensitivity to the struggle of Burma for human rights." But Holcombe said UNDP works in several other countries that suffer from political unrest, such as North Korea, Bangladesh and Afghanistan without becoming involved in internal political affairs.

He said UNDP would only suspend programmes if agency staff were endangered, as they did after the student uprising in September 1988, during which hundreds or possibly thousands of protesters were killed during pro-democracy demonstrations. "We closed down for about nine months for the safety of our staff, not for political reasons," he said.

Programmes have now resumed with a budget of U.S.$53 million over five years for economic reform, education, health, agriculture and forestry projects.

UNDP also denied press reports that the State Law and Order Restoration Council [SLORC] has asked the agency to coordinate non-American voluntary agencies to work in the country as long as they are not currently working with ethnic groups. Rangoon-based UNDP official Michel Gautier said that during a preliminary meeting with four agencies last month, it was "a coincidence" that none was American.

Meanwhile, the students' statement called for a national development and environment policy which gives people "a voice in decision making."

But during this week's Asian governments' environment conference, Burmese delegate U Ba Thwin told THE NATION that they have no need for input into the deliberations because Burma's policies are already environmentally sustainable. Denying reports that deforestation has increased exponentially since Thai logging companies were granted concessions along the Thai-Burmese border in 1988, Ba Thwin said, "loss of forest is mostly caused by fuelwood extraction by local people."

Echoing the Burmese delegate's comments, Gautier commented that Thai logging has "little impact on the overall forest resources of the country because they are only operating along the border." He also said the most serious deforestation is currently being caused by slash-and-burn agriculture practised by highland peoples. Gautier said UNDP is teaching watershed management, encouraging hill people to move into the lowlands, promoting the exploitation of lesser-known species (other than teak) and cash crop cultivation. "The Rangoon Government is sincere in its efforts to upgrade its forest management system to ensure reasonable logging that won't endanger the forest resources," said Gautier.

UNDP undertook a forest inventory to assess the rate of cutting and forest cover, which has served as the basis of Burma's Tropical Forestry Action Plan. But the study was completed between 1981 and 1987. And a 1989 analysis of Burma's forest situation from satellite images suggests that annual deforestation has increased eight-fold to 8,000 square kilometres (five million rai) since Thai companies began logging in Burma.

Though both UNDP and the Burmese officials in Bangkok this week staunchly defended Burmese forest policies and practices, Rangoon appears to be at loggerheads with Thai companies who are lobbying for a relaxation of regulations. In an apparent attempt to control unruly loggers, however, Rangoon has proposed even stricter rules, which include: informing Burmese military before entering a new area; not hiring ethnic minorities to work on concessions; taking responsibility for any "acts of terrorism" that occur within the concession areas.

On Thailand's other border, Laos is also feeling the impact of increased logging by Thai timber companies in search of alternate supplies after the January 1989 cancellation of logging concessions in Thailand due to environmental problems.

"After Thailand closed its own forests, saw mills of Thai investors increased 30 percent in our country," said Chanthaviphone Inthavong, director of national project from Ministry of Agriciculture and Forestry of Laos.

## UN Experts Attempt To Curb Opium Production

*BK1010075090 Bangkok BANGKOK POST in English 10 Oct 90 p 7*

[Text] Chiang Mai—The United Nations Fund for Drug Abuse Control (UNFDAC) will for the first time send two experts to three Burmese towns in January 1991 to introduce modern farming technics in a bid to curb opium production.

The decision to send an expert on modern farming technics and an accountant to oversee UNFDAC fund was reached at a meeting on September 25 between the UN agency, Burmese officials, and Thailand's Office of the Narcotics Control Board. It could not be confirmed how much the UNFDAC has allocated for the programme to be launched in Pyak, Yawng, and Keng Tung.

A source said though the experts' main task was to introduce modern farming technics, they would first have to study Burma's ecological system and soil, and determine which crop was most appropriate. The source said the harvest would be sold exclusively at Thai markets since there appeared to be no other market in the area. The source added that coffee was one of the crops most likely to be tried.

## Brunei, Malaysia & Singapore

## Malaysia

### UN 'Double Standards' on Middle East Criticized

*BK1010163290 Kuala Lumpur BERNAMA in English 0955 GMT 10 Oct 90*

[Text] Kuala Lumpur, Oct 10 (OANA/BERNAMA)—Malaysia, which condemned Israel's treatment of Palestinians in the occupied territories, Wednesday reiterated its call to the United Nations Security Council to stop its practice of double standards in dealing with the Palestinian and Kuwaiti issues.

Foreign Ministry Secretary General Ahmad Kamil Jaafar said the "major players" in the council tended to "drag their feet" and close their eyes to the human elements when addressing the problems of the Middle East. "We condemn the killings of the Palestinians... I call it a massacre," he said when asked to comment on Monday's killing of at least 19 Palestinian demonstrators by Israeli security forces in Jerusalem.

He added: "It is about time double standards be stopped. While we can take action on other issues, why couldn't we take action on the issue of the Palestinian people who have been suffering for more than 40 years?"

The Security Council met to find an appropriate response following the latest killings.

It was reported that many council members, including allies of the United States and Israel, felt a response was needed to maintain the unity of the 15-member body following the passage of eight strong resolutions against Iraq after it invaded Kuwait on Aug 2. The US usually shields its ally, Israel, from Security Council criticisms by exercising its veto but it was expected to vote against Israel and support a security council investigation into the deaths of the Palestinians.

Ahmad Kamil said Malaysia has made its stand clear at the Security Council meetings. He added: "We will continue to work with our Arab brothers to see how fast and how soon we can get things moving."

As a member of the Security Council, Malaysia would push for some kind of action from the UN. The US, Britain, China, France, and the Soviet Union are permament members of the council.

"The world can't allow these people to be massacred from time to time," Ahmad Kamil said, stresing that the Palestinian issue was "a great human tragedy" which had to be looked into quickly.

### Sabah Ruling Party Withdraws From NF Coalition

*BK1610064590 Kuala Lumpur BERNAMA in English 0350 GMT 16 Oct 90*

[Text] Kuala Lumpur, Oct 16 (OANA-BERNAMA)—The ruling party in the east Malaysian state of Sabah, Parti Bersatu Sabah (PBS), late Monday evening announced its withdrawal from Prime Minister Dr. Mahathir Mohamed's 11-member National Front (NF) coalition.

PBS President and Chief Minister Joseph Pairin Kitingan said in the Sabah state capital, Kota Kinabalu, that his party had aligned itself with the opposition Semangat 46 (Spirit of 46) party led by Tengku Razaleigh Hamzah, a former trade and industry minister to contest the October 20 and 21 polls. He said the decision to withdraw from the NF was made after discussions with PBS leaders.

The PBS had 10 members of parliament before the dissolution of the Dewan Rakyat (lower house of Parliament) October 11. Under the NF coalition PBS was allotted 14 seats to contest in the election at the weekend while the other NF component in the state, United Sabah National Organisation (USNO), was given six seats. This is the second time the PBS had withdrawn from the NF. The first time was in 1986 just before the state election.

Listing the reasons for the PBS' withdrawal from the NF, Pairin said over the last four years, the State Government's requests for the state's rights were not met by the Federal Government. Pairin said he was drawn by the manifesto of the Gagasan Rakyat (People's Might) party, one of two loose fronts led by Tengku Razaleigh. "It (the manifesto) includes the request (by Sabah) to raise the oil royalty and allocations for development," he said.

Meanwhile, Dr. Mahathir said here that he had expected the move, but not the timing. "I thought they (the PBS) would wait until the results of the general election.... If they found the Barisan's (NF) performance not good, they would switch over to the Semangat 46," he said.

The prime minister rejected any suggestion of negotiations with the Sabah chief minister. "When a person stabs you in the back, you don't pull out the knife and negotiate with him."

### Mahathir Says 'Not Unexpected'

*BK1610092590 Kuala Lumpur International Service in English 0800 GMT 16 Oct 90*

[Text] The prime minister, Datuk Sri Dr. Mahathir Mohamed, says the decision by the Parti Bersatu Sabah [Sabah United Party], PBS, to leave the Barisan Nasional [National Front] is a stab in the back and has been deliberately planned to coincide with the general election. He said the move was not unexpected but he did not anticipate the announcement to be made at this time. He expected the PBS to join the Semangat 46

[Spirit of 46] after the announcement of the general election results if the Barisan Nasional did not win overwhelmingly.

The prime minister was answering questions by newsmen after closing Radio Television Malaysia's Teleton in Kuala Lumpur last night. He was commenting on the announcement by the president of the PBS, Datuk Sri Joseph Pairin Kitingan, in Kota Kinabalu last night that the party was leaving the Barisan Nasional pool and joining the Semangat 46.

The prime minister said the move would not demoralize the Barisan Nasional facing the election. On the contrary, all the component parties are more determined to ensure victory. He said he would leave it to the people of Sabah to think deeply before supporting the PBS in the election. Datuk Sri Dr. Mahathir was confident that there was a pact between the PBS and Tengku Razaleigh's Semangat 46 as Tengku Razaleigh had said that Sabah and Sarawak would be the kingmakers.

The prime minister also said that the decision was linked to several demands made by the state. This included increasing oil royalties [and] establishing an independent radio and TV station and a university in Sabah. He said he could not make a decision on the demands as the government was only a caretaker government and this would be raised after the election. Datuk Sri Dr. Mahathir was still confident that the Barisan Nasional would get a two-thirds majority in Parliament, but this might be more difficult.

## Party Reportedly Abandons 'Islamic State' Term

*BK1010015390 Kuala Lumpur NEW STRAITS TIMES in English 8 Oct 90 p 1*

[By Zulkifli Othman]

[Text] Kuala Lumpur, Sun.—Pas [Pan Malaysian Islamic Party] has decided to abandon the use of the term "Islamic state" in its election manifesto, its information chief, Haji Subky Latif, said today Asked why the term was dropped, he said it was more practical and in line with the times.

He told reporters at the party's headquarters in Taman Melewar that the decision to drop the term "Islamic state" was made by its majlis ulama [religious leaders council] at an emergency meeting today. Haji Subky said the abandonment of the term was to accommodate a realistic approach to the general election.

The decision of the council, the supreme lawmaking organ in the party, constitutes a drastic change in the party's ideology and struggle, which predates its founding in 1951.

Haji Subky said the ulama ruled at an emergency meeting today that the term "Islamic state" would not appear in the party's election manifesto, which will be published on Friday. The decision of the ulama came a day after party president Haji Fadzil Noor told reporters in Alor Star that Pas had chosen Membangun bersama Islam (Developing with Islam) as the theme of its manifesto.

Asked whether the abandonment of the term "Islamic state" was a compromise to attract non-Muslim voters, Haji Subky said Pas was adopting a more pragmatic approach by dropping the term. "Even though Pas will no longer use the term 'Islamic state', it will continue to emphasise Islamic values and will continue to advance its Islamic objectives. "We will rule the country according to Islamic principles if we win this election."

He denied that Pas was making compromises to accommodate the DAP [Democratic Action Party], which had said repeatedly that it would co-operate with Pas only if the party dropped its objective of forming an Islamic state.

Haji Subky described the party's relationship with Semangat 46 [Spirit of 46 party] as very strong but said it had no direct relationship with the DAP, even though they were in the same coalition. However, he said, Pas had agreed not to field candidates in constituencies where the DAP would be contesting and the DAP would do likewise.

In line with the more pragmatic approach, Haji Subky said Pas would only contest between 30 and 35 parliamentary seats compared with the 99 in the 1986 general election, in which Pas won only one seat. "We have decided to review our position after the setback in 1986 and agreed that we should contest fewer parliamentary seats." He said Pas and Semangat 46 had agreed in principle that more seats in Kelantan, Terengganu and Kedah would be contested by Pas as opposed to Semangat 46.

To another question, Haji Subky said Semangat 46 president Tengku Razaleigh Hamzah would not automatically become the Prime Minister if the opposition coalition won the general election. "Pas will also want to have a say in that matter because we too are interested in the post."

## Denies Dropping Term

*BK1010153890 Kuala Lumpur NEW STRAITS TIMES in English 9 Oct 90 p 3*

[Text] Kuala Lumpur, Mon.—Pas [Pan Malaysian Islamic Party] information chief Haji Subky Latif today denied that the party would be dropping the term Negara Islam (Islamic state) from its election manifesto.

He would, therefore, ask Pas headquarters to take legal action against newspapers which published the report. "I have never made any statements to the Press since the last party general assembly," he said in a statement to BERNAMA.

Haji Subky also said the Majlis Syura Ulama [Executive Council of Religious Leaders] of the party did not meet yesterday as reported but only the Pas central committee

had a meeting. He added the meeting did not discuss the manifesto as it was settled a long time ago.

The report was published in the NEW STRAITS TIMES, BERITA HARIAN, BUSINESS TIMES, NANYANG SIANG PAU and SHIN MIN DAILY NEWS.

Haji Subky's denial came as a complete surprise to three reporters, namely from the NEW STRAITS TIMES, NANYANG SIANG PAU and SHIN MiN DAILY NEWS, who interviewed him on two separate occasions at the party's headquarters yesterday. The NANYANG SIANG PAU and the SHIN MIN DAILY NEWS reporters met Haji Subky about 1pm.

The NEW STRAITS TIMES reporter, upon learning what transpired in the interview with reporters of the two Chinese language newspapers, confronted haji Subky about two hours later. He confirmed what he told the two Chinese reporters. Haji Subky told them that Pas would not use the term "Islamic statve" in its manifesto. Asked why the term was dropped, he said it was more practical and in line with the times.

## AFP: Parti Islam Pledges Islamic-Based Laws

*BK1510133490 Hong Kong AFP in English 1306 GMT 15 Oct 90*

[Excerpt] Kuala Lumpur, Oct 15 (AFP)—The fundamentalist Parti Islam Monday pledged to base all Malaysian legislation on Islamic law but said it would guarantee the rights of non-Moslems if it won power at polls set for the weekend. The Parti Islam, member of a fledgling opposition alliance seeking to oust Prime Minister Mahathir Mohamad's National Front coalition, said a government led by it would not harass non-Moslems nor force them to embrace Islam.

Analysts noted that the manifesto carefully avoided any reference to an Islamic state although the party's pledge to source all "supreme laws" from Islamic shariah law would in fact also subject non-Moslems to Islamic rules. Non-Moslems make up nearly half of Malaysia's 17 million people.

Some eight million Malaysians qualify to vote on October 20 and 21.

The Parti Islam draws much of its support from conservative ethnic Malay Moslems in the northern Malay states of Trengganu, Kelantan, Kedah and Perlis where it has almost always finished second best to Dr. Mahathir's United Malays National Organisation (UMNO).

This time around, however, it has joined an alliance of Moslem parties led by Dr. Mahathir's former trade minister, Tengku Razaleigh Hamzah, who has vowed to drive his former boss from office, accusing him of dictatorial rule, mismanagement and corruption.

Mr. Razaleigh's Semangat '46 (or Spirit of '46 party), comprising dissidents from Dr. Mahathir's UMNO, has also teamed up with five non-Moslem parties in a parallel alliance called the "Gagasan Rakyat" that includes the mostly ethnic Chinese Democratic Action Party (DAP).

"All citizens are guaranteed justice without discrimination or favouratism. Political, religious or racial affiliations will not affect the dispensation of justice," Parti Islam said in its manifesto which urges Malaysians to advance with Islam. The party said it would review all oppressive legislation like the Internal Security Act allowing indefinite detention without trial for those considered risks to Malaysia's security. Parti Islam also said it would fight corruption, ban all forms of gambling, expand universities and allow all races to practice and develop their own cultures and learn their own languages.

Analysts said that the party which once promised Moslems a theocratic state led by mullahs appeared to have softened its stance in a bid to ensure it does not undercut support for the non-Moslem parties ranged against Dr. Mahathir's 11-member coalition of mostly ethnically-based parties.

Parti Islam is contesting 31 seats in the 180-member Dewan Rakyat, the lower house of parliament and 118 seats in several of the 11 peninsular Malaysian states that will simultaneously vote to fill their state legislatures.

Mr. Razaleigh's Semangat '46 and the DAP are the opposition flag bearers in most of the other constituencies. [passage omitted]

## Diplomat: Opposition Has 'Capacity To Do Well'

*BK0810103590 Hong Kong AFP in English 0757 GMT 8 Oct 90*

[By Mervin Nambiar]

[Text] Kuala Lumpur, Oct 8 (AFP)—A fledgling alliance of opposition parties contesting polls set for later this month could radically alter Malaysia's political landscape by establishing the basis for a two-party system, analysts said Monday. "I don't think the opposition can win but they have the capacity to do well and establish their credentials as a credible and viable alternative coalition to the National Front," a western diplomat said.

The parties in the opposition alliance led by former Trade and Industry Minister Tengku Razaleigh Hamzah, 53, who has vowed to unseat Prime Minister Mahathir Mohamad, will first have to convince voters that their pact will not fizzle out after the polls on October 20 and 21, analysts said.

So far, the opposition alliance's three major components grouped around Mr. Razaleigh's Semangat '46 (Spirit of '46) party appear close to agreement on how they will split most of the 180 Dewan Rakyat (Lower House) seats up for grabs. "Our plan is to ensure straight fights in every state and parliamentary constituency to ensure

that the national front does not get in only because opposition votes were split," Mr. Razaleigh said in a recent interview.

But an ideological gulf separates the fundamentalist Parti Islam and the mostly ethnic Chinese Democratic Action Party (DAP), the two other senior partners of the opposition alliance that also includes smaller groups of socialists, ethnic Indians and conservative Moslems.

The Parti Islam (PAS) council of theologians recently said it was dropping a pledge to establish an Islamic state but party officials deny that this was a concession to the DAP's mostly non-Moslem supporters who fear erosion of their rights in a theocratic state. PAS Spokesman Subky Latif told the English-language daily NEW STRAITS TIMES Monday that the party would instead advance Islamic values in government if the opposition alliance came to power, as part of a more pragmatic approach. Analysts say the PAS move will help DAP Chief Lim Kit Siang convince his hardcore supporters of the necessity of throwing in his party's lot with Mr. Razaleigh and Parti Islam if the DAP was to get off the opposition benches where it has stayed since its formation in 1965.

Kua Kia Soong, the DAP's recently appointed spokesman, said that the multi-racial make-up of the opposition alliance would for the first time offer voters a choice of coalitions and a qualified and credible alternative in Mr. Razaleigh as prime minister. "For the first time in Malaysian history a viable alternative government has been presented to the people," Mr. Kua said.

He said that the ethnic Malay leadership of the opposition alliance would demolish the government argument that ethnic Malays should not vote for the opposition because it would weaken Malay political domination.

Dr. Mahathir has described the opposition alliance as a pact between politicians greedy for power and a marriage of convenience that cannot last.

Mr. Razaleigh's alliance now has 37 seats in the lower house, of which 12 are held by Semangat '46, 24 by the DAP and one by Parti Islam compared to 133 held by Dr. Mahathir's 11-member National Front of mostly ethnically-based parties.

Analysts said that despite the DAP's popularity in urban areas and Parti Islam's following in the rural Malay heartland both parties held out little hope of winning more seats in parliament if they had sought to woo Malaysia's nearly eight million voters on their own. "The DAP and Parti Islam have softened their image by linking up with Semangat '46. They will now draw some votes from Semangat supporters and to a lesser extent from each other," a diplomat said.

Semangat '46, which claims a membership of some 600,000, comprises largely dissidents from Dr. Mahathir's moderate United Malays National Organisation (UMNO), Malaysia's largest political party which dominates the ruling coalition.

## Opposition Leader Announces May Quit Politics

*BK1510132090 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 15 Oct 90*

[Text] Opposition leader Mr. Lim Kit Siang says he will quit politics if the DAP [Democratic Action Party] fails to capture the Penang state government in the upcoming general elections. He said he will neither contest the DAP leadership again nor accept the post of opposition leader in parliament.

## Commowealth Group Arrives To Witness Elections

*BK1510092190 Kuala Lumpur BERNAMA in English 0627 GMT 15 Oct 90*

[Text] Kuala Lumpur, Oct 15 (OANA-BERNAMA)—The chairman of the Commonwealth observers group, Dudley Thompson, and eight members of his team arrived here Monday to observe the election process in Malaysia. The group is joining two other members, Eustace Seignoret and Sourahata Semega-Janneh, who arrived here last week and had the opportunity to witness the nomination day process.

Thompson, former Jamaican foreign minister, is expected to meet Prime Minister Dr. Mahathir Mohamed and representatives of political parties. The group is also scheduled to visit several states during their stay here and will prepare a report on the general election when they return to London next week. The group is supported by a team of Commonwealth Secretariat officials.

## Government Wins Two Uncontested Seats 11 Oct

*BK1110064290 Kuala Lumpur International Service in English 0600 GMT 11 Oct 90*

[Excerpt] Nominations closed at 1100 for the Malaysian general elections to be held on 20 and 21 October. A total of 180 parliament seats and 351 state seats are at stake. Latest reports said the Barisan Nasional [National Front] coalition has won two parliamentary seats uncontested in Sabah and Sarawak. [passage omitted]

## Impact of 'Money Politics' on Elections Studied

*BK1210044290 Bangkok THE NATION in English 12 Oct 90 p A8*

[Report headlined "Money Politics in Malaysian Poll" by correspondent Sonny Inbaraj from Penang, Malaysia]

[Text] Malaysia's eighth general election scheduled to be held Oct 20 and 21 might be the most expensive one in the country's 33-year history.

"Previously it used to be a cup of coffee and a slice of cake, but now a vote will cost as much as M [Malaysian]

$20 to M$25 (Bt200-250, one ringgit is about 10 baht) [U.S.$8-10] in the villages," said an observer.

According to K. Gurunathan, editor of THE ROCKET—a radical monthly news magazine—cash could be used to woo the fence-sitters, those who can't make up their minds on whether to vote for the ruling National Front coalition or the multi-racial opposition coalition.

"The recent National Front victory in the Kijal by-election in Terengganu state is a case in point," said Gurunathan. The by-election in the lair of opposition leader Tengku Razeleigh Hamzah saw the United Malaya National Organization (UMNO)—the dominant partner in the National Front—emerge the victor with an overwhelming majority of 1,689 votes. "This constituency had in fact many fence-sitters and UMNO campaigned on a family-to-family basis, dishing out about M$2,000 to M$3,000 per household," said Gurunathan.

For the first time since independence in 1957, Prime Minister Mahathir Mohamad's National Front is facing a formidable challenge from a mult-racial opposition alliance led by Razeleigh. Razeleigh, the former trade minister in Mahathir's cabinet, quit after he failed to narrowly dislodge the UMNO president in party polls in 1987. Razeliegh's supporters challenged the election results in court and in February 1988, the High Court ordered UMNO's deregistration on a technicality. Mahathir then formed a new UMNO and Razeleigh led dissident members to form the Spirit of '46. Razaleigh managed to bring into his fold the pro-Chinese Democratic Action Party (DAP) and the Muslim fundamentalist Parti Islam (PAS) together with an Indian party in a loose coalition.

Nowhere does UMNO cover its tracks more throughly than when its corporate holdings are related to election fund-raising. While analysts say UMNO has hurriedly raised cash to ensure victory in the general election, actually tracking how it is done is almost impossible.

According to THE ROCKET, UMNO is said to have about M$1 billion in campaign funds and is willing to spend between M$300 million to M$1.5 billion in order to win. The recent reshuffling of UMNO's corporate assets under the little-known property company Renong removes M$39.75 million worth of debt and puts M$1.23 billion in unencumbered and very promising assets at the paprty's disposal for the election.

According to stockbrokers who refused to be named, UMNO has used the Kuala Lumpur Stock Exchange for many years to raise cash. "UMNO has used cashless share swaps with increasing frequency since the 1985-86 recession as an inexpensive way to take over companies and raise funds," said a broker. "Minority shareholders who find their earnings diluted are often the losers in takeovers."

UMNO critics say the current health of the party's corporate assets is directly attributable to the skillful use it makes out of the levers of government. Many of the assets injected into the new UMNO were placed in the hands of the official assignee for safe-keeping or eventual liquidation when the old UMNO was deregistered by the courts in February 1988. Recently these assets have been brought under control of the new UMNO in a manner that has been criticized by the opposition as failing to meet the intent of the Societies Act. The Act governs the behaviour of Malaysia's political parties.

In many cases, court orders to affect the transfers were not obtained, nor were they advertised by publication in the government gazette or the newspapers as required by the Societies Act. In addition, the stock exchange too has not been informed.

While UMNO has been building up its campaign war chest, the opposition has not been that lucky. The pro-Chinese DAP, according to sources, will only be able to put up M$250,000 for its campaign while individual DAP candidates are expected to spend about M$20,000 each in additional funds. Moreover, each candidate also has to donate M$1,500 to the party machinery. The Spirit of '46 has about M$10 million at its disposal, though unofficial sources say Razeleigh has already spent about M$300 million-M$400 million trying to woo voters.

The parties nationally have no limits on their expenditures. And though candidates for the country's 180 parliamentary seats and 455 state assembly seats face campaign spending limits of M$50,000 and M$30,000 respectively, the Electoral Commission says it will be difficult to estimate just how much each candidate will be spending. To date the Election Commission has not conducted a study of trends in Malaysian election spending.

## Minister Releases Foreign Investment Figures

*BK0610153290 Kuala Lumpur BERNAMA in English 0401 GMT 6 Oct 90*

[Text] Kuala Lumpur, Oct 6 (OANA-BERNAMA)—Investments in Malaysia for the first nine months of this year hit an all-time high of 25.5 billion Malaysian ringgit (9.4 billion U.S. dlrs), Trade and Industry Minister Rafidah Aziz said.

She said the record investments came from 766 applications received by the Malaysian Industrial Development Authority (MIDA) for the period. Of the amount, about 15.5 billion ringgit (5.7 billion dlrs) was from foreign investors while the rest came from local investors, she said.

Last year, investments from the 910 applications received totalled 20.14 billion ringgit (7.5 billion dlrs), she added.

Taiwanese investors topped the list with 6.5 billion ringgit (2.4 billion dlrs), followed by the Japanese with

3.3 billion ringgit (1.2 billion dlrs). Other major investors were from Singapore, Sweden, United States, and Hong Kong.

She noted that Malaysia had proven to be a a good base for off-shore activities of large companies which set up operations here to escape escalating production costs in their own countries. The investors were here not only because it was cheaper but also because of the stable political climate and higher labour productivity.

## Cambodia

### U.S. Senate Aid Approval 'Regrettable Action'

*BK1510162690 Phnom Penh Domestic Service in Cambodian 1300 GMT 15 Oct 90*

[Station commentary: "A Regrettable Action"]

[Text] The U.S. Senate on 12 October approved a $20 million aid package for the so-called noncommunist Cambodian resistance made up of Son Sann's and Sihanouk's factions. Although Democratic Senator George Mitchell, who proposed the plan, tried to explain that the aid was a humanitarian and developmental assistance, it is, however, an extremely regrettable action.

Everyone knows the Cambodian problem is currently moving toward a definitive stage. In the past few months, the international and internal aspects of the Cambodian settlement made a promising step forward, and the United States was a key country among the major countries involved in the Cambodian problem.

On 18 July 1990, U.S. Secretary of State James Baker proclaimed the withdrawal of recognition from the tripartite resistance seated at the United Nations and began direct negotiations with Vietnam and Phnom Penh. That being the case, the international aspect of the Cambodian problem has made swift headway since then.

The United States has held four direct talks with Vietnam, including two sessions at the Foreign Ministry level. Along with this, the U.S. charge d'affairs in the Lao People's Democratic Republic met with the Cambodian ambassador there. The U.S. ambassador to Indonesia held talks with Comrade Hun Sen, the Cambodian state's prime minister, in Jakarta as well.

The Cambodian people were extremely touched and pleased with the moves because they saw that the United States, which is a member among the five permanent members of the UN Security Council, appeared to become actively involved in the Cambodian peace process. Another fact that made the Cambodian people feel elated was the United States' declaring its resolute stance on preventing the genocidal Pol Pot regime from returning to power in Cambodia. This led the U.S. Senate to scrap the U.S. secret funds of $13 million yearly for Son Sann's and Sihanouk's groups.

The resolution adopted by the U.S. Senate on 12 October is an action against what the United States had done previously. This is also an activity counter to the worldwide trend that advocates settling the Cambodian problem through negotiations. The $20 million in aid does not contribute to a negotiated settlement of the Cambodian problem, but it is a great encouregement to Son Sann's and Sihanouk's factions, which are allies of the Pol Pot gang, to intensify their military offensives instead.

This is also an action against the framework document hammered out by the Big Five, which call on all the conflicting Cambodian parties to exercise maximum self-restraint. More seriously, the aid will directly or indirectly provide a great many benefits to the genocidal Pol Pot clique. People know that to date, Son Sann's and Sihanouk's factions have continued to keep their intimate ties with the genocidal regime. In the alliance, Pol Pot is their core force and backbone. Sihanouk used to disclose the Pol Pot gang as the reliable force on the battlefield.

People still remember that over the past 11 years, the State of Cambodia has been the only opposing force capable of preventing with efficiency the return of the genocidal Pol Pot regime. Sihanouk's and Son Sann's groups do not oppose and prevent the return of the regime; instead, they cooperate with the criminal gang in attacking the rebirth of the Cambodian people. As such, the U.S. aid is somehow an indirect assistance to the bloodthirsty Pol Pot clique, enabling it to achieve its ambition of seizing power by military force. The $20 million aid will help Pol Pot and his allies continue the civil war in Cambodia. According to Stephen Solarz, chairman of the U.S. House of Representatives' Subcommittee for Asia-Pacific Affairs, if the war is allowed to continue, the Khmer Rouge will certainly have the opportunity to return to power in Cambodia.

The Cambodian people, who long for peace more than anything else, believe that although the $20 million aid is an insignificant amount compared to the $100 million from China to the Khmer Rouge Polpotists and the U.S. aid to the Lon Nol regime between 1970 and 1975, it will create adverse consequences to the settlement of the Cambodian problem. In particular, it is a bad, painful omen for the Cambodian people. Not only does the aid uphold democracy and the respect of human rights in Cambodia, but it props up the groups, which despise the democratic system and violate human rights, and bolsters their potential.

Willing to end quickly the suffering of the Cambodian people, the State of Cambodia has expressed its readiness to negotiate with the other side on the cessation of foreign military aid toward implementing a cease-fire, which is an indispensable condition for an overall settlement of the Cambodian problem. As victims of the genocidal Pol Pot regime, the Cambodian people appeal to the U.S. Senate to reconsider the regrettable move.

## Hor Namhong Interviewed on Political Solution

*BK1610054690 Phnom Penh SPK in English 0451 GMT 16 Oct 90*

[Text] Phnom Penh SPK October 16—Hor Namhong, foreign minister of the State of Cambodia, granted an exclusive interview to SPK yesterday afternoon on the process of a political solution to the Cambodian problem.

Question: Mr. Minister, do you think there would be an early reconvening of the SNC [Supreme National Council]?

Answer: In order to reach an early global solution to the Cambodian problem, I think that the SNC should be reconvened as soon as possible to solve other questions more important than the selection of its chairman.

The basic and urgent issues without which no agreement could be possible on a definitive solution are volutary cease-fire, the cessation of foreign military aid to the Cambodian factions and the sending of an SNC delegation to the United Nations General Assembly.

Question: And what about the question of an SNC chairman?

Answer: The settlement of this question should be discussed during the next meeting, and if it could not be solved, it would be left to other sessions. But, in any case, this question should not be an obstacle, an indispensable condition for the work of the SNC which is in itself a key-element of the framework document of the five permanent members of the United Nations Security Council, the Jakarta joint statement and the September 20 resolution of the U.N. Security Council.

Question: Since there is currently an impasse on the choice of a chirman and vice-chairman of the SNC, how do you think of other possibilities?

Answer: There are two alternatives in solving this question without modifying the Jakarta joint communique: that is, cochairmanship or rotating chairmanship among the 12 members of the SNC.

We fully respect the Jakarta statement. A consensus has not yet been reached in choosing a 13th member as chairman of the SNC. An agreement has not yet been obtained on our part on a compromise solution on the selection of a chairman and vice chairman. So, there remains only one solution which is to choose chairmanship among the 12 members of the SNC. I would like to stress that if the Jakarta statment does not mention a vice-chairman, it does not specify Prince Sihanouk as chairman either.

Question: What do you think about the U.N. General Secretary's statement at the October 12 session of the U.N. General Assembly?

Answer: I fully approve of the statement of His Excellency Perez de Cuellar, secretary-general of the United Nations, who has appealed to the Cambodian parties to achieve real national reconciliation, to put the people's interests above any other consideration, to implement a voluntary cease-fire and to end military aid.

Therefore, the question of a person must not obstruct the functioning of the SNC which must solve urgently what the UN secretary-general has solemnly appealed: the voluntary cease-fire and the cessation of military aid. This is because the voluntary cease-fire is indispensible to create the necessary climate of confidence for the elaboration of a definitive accord to stop the civil war and achieve national concord.

Concerning military aid, it is already a nonsense. Why should we still receive military aid when peace is within our reach?

Therefore, I ask all the Cambodian parties to positively respond to the appeal made by the UN secretary-general.

Question: And the question of the representation of the SNC at the United Nations?

Answer: Since September 10, 1990 when the joint Jakarta statement was made, it is the SNC that must represent Cambodia at the UNO [United Nations Organization].

As the SNC cannot meet again to assign a delegation to represent it at the UN General Assembly, we have proposed to the UN secretary-general and the five permanent memberss of the UN Security Council to invite all the 12 members of the SNC to attend the 45th UN General Assembly. So doing, the problem of Cambodia's representation at the UNO will be solved. We are always waiting for our invitation.

## Officer Says Khmer Rouge Attack Siem Reap

*BK1510112290 Hong Kong AFP in English 1109 GMT 15 Oct 90*

[Text] Bangkok, Oct 15 (AFP)—The Khmer Rouge has launched attacks in northern Cambodia near the Angkor [Wat] temple complex, a Phnom Penh officer said Monday. The officer was speaking to Thai reporters at Cambodia's border opposite the Thai town of Aranyaprathet.

The guerrilla strikes outside Siem Reap, a market town straddling the strategic Highway 6, had begun "in the past two or three days," he said, adding that forces of the Vietnamese-backed government were still holding the city. The Phnom Penh officer's statement could not be immediately confirmed.

He also reported attacks by Khmer Rouge units on other points along Highway 6 and on Highway 5, in central Cambodia.

On Sunday, the Khmer Rouge, by far the strongest force in the Cambodian resistance coalition, resumed battlefield reports after a one-month hiatus. Analysts saw this

as a fresh sign of rising tension in Cambodia despite international efforts to end the war in the Southeast Asian nation. The Khmer Rouge battlefield reports, seen as often exaggerated but based on fact, had ceased in early September in the wake of a Jakarta agreement by all four warring Cambodian factions to accept a United Nations peace framework. But since the Jakarta accord the factions have been unable to agree on the final composition of a joint interim authority for Cambodia, the Supreme National Council.

Control of Siem Reap, some 300 kilometers (180 miles) north of Phnom Penh, is of special importance both because of the strategic location of the town of some 15,000 and the proximity of the 12th-century Angkor Wat temple complex, an architectural marvel and the symbol of the Khmer nation and people.

### Hor Namhong Receives Greetings From Mongolia

*BK0910070790 Phnom Penh SPK in English 0448 GMT 9 Oct 90*

[Text] Phnom Penh SPK October 8—Hor Namhong, the newly appointed foreign minister of the State of Cambodia, has received congratulations from his Mongolian and Polish counterparts.

In his congratulatory message, Tserenpeliyn Gombosuren, foreign minister of the Mongolian People's Republic, said: "I am convinced that the solidarity, friendship and cooperation between our two countries will be further consolidated and developed in the interests of our two peoples."

For his part, Krzysztof Skubiszewski, foreign minister of the Republic of Poland, said: "Your appointment to the noble post took place at a historical turning point of the Cambodian people. I would like to wish you success in restoring peace and achieving national concord.

"Poland fully supports the proposals based on the five-point framework document of the U.N. Security Council members.

"I am very glad to welcome your coming visit to Poland."

### Hor Namhong Congratulated by Polish Counterpart

*BK0710150390 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 Oct 90*

[Text] On the occasion of his appointment as foreign minister of the State of Cambodia, Comrade Hor Namhong received a congratulatory message from Krzysztof Skubiszewski, foreign minister of the Republic of Poland. The message stresses:

On the occasion of your appointment as foreign minister of the State of Cambodia, I would like to send you sincere congratulations and best wishes. Your appointment to the noble post took place at a historic turning point of the Cambodian people. I would like to wish you success in national reconciliation and the building of peace in Cambodia. Poland would like to provide strong support for the proposal based on the plan proposed by the five permanent members of the UN Security Council.

I am happy to welcome a visit by you to Poland in the near future.

### Heng Samrin Receives Outgoing Polish Ambassador

*BK0610152590 Phnom Penh SPK in English 0422 GMT 6 Oct 90*

[Text] Phnom Penh SPK October 6—Jozef Koblialka, Polish ambassador to Cambodia, on October 5 paid a farewell visit to Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council, at the end of his term of office here.

President Heng Samrin highly appreciated the Polish ambassador's mission qualifying it as contributive to the consolidation and development of the solidarity, friendship, and cooperation between the two countries.

He thanked the Polish Government and people for their support and assistance to the just cause of the Cambodian people and reiterated the goodwill stance of the Cambodian Government for peaceful solution to the Cambodian conflict.

President Heng Samrin also welcomed the Polish Government's goodwill for a political settlement of the Cambodian issue.

In his reply, Jozef Koblialka expressed thanks to the party and government of the State of Cambodia for having created favourable conditions for the fulfillment of his diplomatic mission here and praised the all-sided achievements recorded by the Cambodian people in recent years.

The Polish diplomat highly valued the correct policy and goodwill of the State of Cambodia in solving the Cambodian issue by peaceful means.

### VOK Urges SRV 'Positive' Stance Toward U.S.

*BK1310135390 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 13 Oct 90*

[Political commentary: "Vietnamese-U.S. Relations"]

[Text] Recently, Hanoi official radio said in a commentary that the United States, instead of just talking about it, should end the economic sanctions against Vietnam following Vietnam's invasion of Cambodia, if it wants to improve relations between the two countries. On the normalization of ties between the United States and Vietnam, although the United States has held a couple of talks with Vietnam in New York, it has clearly spelled out a number of conditions that Vietnam should accept for normal relations between the two countries. The conditions are:

1. Vietnam should cooperate with the United Nations in settling the Cambodian problem politically and comprehensively; and

2. Vietnam should cooperate more with the United States in searching for U.S. servicemen still missing from the Vietnam war.

In the normalization of Vietnamese-U.S. relations, has Vietnam already fulfilled the conditions set by the U.S.? Everyone knows Vietnam has been crafty in the past. Therefore, the world can believe only their deeds and not their words. Perhaps for this reason the United States is not doing what Vietnam wants it to do.

On the issue of Vietnamese-U.S. relations, we, the Cambodian people, also want similar things as Vietnam. We want to see good relations not only between the United States and Vietnam but also among countries throughout the world. Cambodia also wants good relations with Vietnam; the Cambodian people do not want to be Vietnam's enemy forever. However, we want good relations with Vietnam as a neighboring country and not as their puppet. It is a tragedy Vietnam does not have good intentions in its relations with Cambodia. However, relations would improve if Vietnam showed positive signs in wanting to solve the Cambodian problem. The United States also wants good relations with Vietnam if the latter [words indistinct] like what Cambodia wants. On the contrary, Vietnam continues to be crafty and wants to prolong the war in Cambodia. Vietnam still wants its puppet regime to be in power longer to serve its interests. Vietnam still wants the Cambodian peace process to be deadlocked. In this case, can we achieve what we want?

For ties between Vietnam and the United States to normalize, Vietnam should also look at their friendship with neighboring countries, Vietnam's victims. Vietnam should play its role and order its puppet regime to soften its intransigent stance in settling the Cambodian problem. Vietnam has no reason to reject the plan of the major powers, the five permanent members of the UN Security Council, and the agreement on setting up Cambodia's Supreme National Council in Jakarta, Indonesia, in September.

The condition for the resumption of U.S.-Vietnamese relations is simple: Vietnam only has to do what is right and just and not implement its policy of greed. Vietnamese-U.S. relations took shape when the United States opened direct talks. It is Vietnam's turn to decide whether to do something positive or to continue its policy of trickery. If Vietnam cannot even fulfill this condition, it will continue to be an aggressor against Cambodia and continue to be pressured economically by the world; Vietnam will remain isolated, and the Vietnamese people will remain poor.

## Sihanouk Faction Criticizes France for Visit

*BK1510163690 Hong Kong AFP in English 1627 GMT 15 Oct 90*

[Text] Bangkok, Oct 15 (AFP)—Prince Norodom Sihanouk's resistance faction Monday accused France of jeopardizing the Cambodian peace process by recently sending a senior official to Phnom Penh.

In a statement, the prince's office here condemned French Deputy Foreign Minister Thierry de Beauce for meeting leaders of the Vietnam-backed government in Phnom Penh, which the resistance is fighting to topple. "By preferring to have a dialogue with only one of the four parties, Mr. de Beauce puts, therefore, in jeopardy the peace process and the work of the permanent five of the security council," the statement said.

France is one of the permanent members of the U.N. Security Council, which set up a framework for peace in Cambodia that was accepted last month by the warring factions—Phnom Penh and a tripartite resistance coalition.

The statement also insinuated that France was trying to rescue the Phnom Penh government.

It urged Mr. de Beauce to begin a dialogue with the other Cambodian parties, "especially" the Khmer Rouge, the military backbone of the resistance.

## PRC Leaders Thank Resistance for Message

*BK1510113790 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Oct 90*

["Message of Thanks From Chinese Leaders to Leaders of the National Government of Cambodia and the Cambodian National Resistance"]

[Text] His Excellency Yang Shangkun, president of the PRC, and His Excellency Li Peng, prime minister of the Chinese State Council, recently conveyed a message of thanks to His Royal Highness Samdech Norodom Sihanouk, Cambodian president and leader of the Cambodian National Resistance [CNR]; His Excellency Son Sann, prime minister of the National Government of Cambodia [NGC]; and His Excellency Khieu Samphan, Cambodian vice president in charge of Foreign Affairs, for their greetings message on the 41st founding anniversary of the PRC. Our Voice of the National Army of Democratic Kampuchea broadcasts the entire message as follows:

To respected Samdech Norodom Sihanouk, president of Cambodia and leader of the CNR; His Excellency Son Sann, prime minister of the NGC; and His Excellency Khieu Samphan, vice president of Cambodia in charge of Foreign Affairs. Beijing:

Revered Samdech and Your Excellencies: On the occasion of the 41st founding anniversary of the PRC, we

have the honor of receiving a joint message of greetings from you. We sincerely thank all of you.

We hope the Cambodian problem, which causes the Cambodian people terrible suffering, will be settled soon through a just and rational political solution. May Cambodia definitely recover its independence, neutrality, peace, and nonaligned nature in the near future. May the great relations between our two peoples and coutries remain intact forever.

[Dated] 10 October 1990
[Signed] Yang Shangkun, President of the PRC
Li Peng, Prime Minister of the PRC State Council

## VONADK Continues Daily Battle Reports

*BK1610021190 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 15 Oct 90*

["Daily Report From Various Battlefields"]

[Text] Preah Vihear battlefield:

Chhep District: On 27 September, the Vietnamese-puppet trucks moving from Stung Treng to Preah Vihear areas west of Rumdeng and east of Chhep marketplace ran into our ambush. Three trucks and all the materiel were set ablaze. Three Vietnamese and puppet soldiers on the trucks were killed and five others were wounded. We seized two AK's and a quantity of war materiel.

Rovieng District: On 28 September, our national resistance forces dismantled an 800-meter portion of road from Rovieng to Phnum Dek. The next morning, the Vietnamese enemies and their puppets ventured out from Rovieng to inspect this road. They hit five landmines; five of them were killed and six others wounded in the explosion. On 29 September, our national resistance forces attacked the Vietnamese enemies and their puppets at Phnum Ko position. We killed three and wounded six.

Chey Sen District: On 29 September, our national resistance forces destroyed a 1,500-meter portion of road from Putrea to Sam-ang by setting blockade and planting mines. Next morning, the Vietnamese-puppet troops who came out to inspect the road hit our landmines, suffering one killed and another wounded.

East Kompong Cham battlefield:

Memot District: On 30 September, our national resistance forces attacked the Vietnamese-puppet troops at Phum Lo, killing one and wounding two. We freed seven village administrators who had been forced to serve the Vietnamese enemies and their puppet-lackeys. We also seized four AK's and an SKS.

Ponhea Krek District: On 28 September, our national resistance forces ambushed the Vietnamese-puppet soldiers moving from Smakom to Me Mai. We killed two and wounded three. On 30 September, our national resistance forces destroyed portions of road totaling 2,500 meters long in areas from kilometer marker 16 to Lvea Pe and from kilometer marker 18 to Krasang by setting blockade and planting mines.

Northwest Phnom Penh battlefield:

Udong District: On 30 September, our national resistance forces attacked and dismantled the Vietnamese-puppet administrative networks at Prey Sman and Prey Russei in Krang Chek Commune. We freed two village administrators who had been forced to serve the Vietnamese enemies and their puppets. At the same time, we destroyed a 350-meter portion of the Vietnamese-puppet road in area between Prek Krasang and Prey Russei by setting blockade and planting mines.

On 1 October, our national resistance forces attacked the Vietnamese-puppet soldiers at O Koki position. We killed three and wounded two. On the same day, our national resistance forces attacked and dismantled the Vietnamese-pupet administrative networks at Trach Khpos in Krang Chek Commune. We freed three village administrators who had been forced to serve the Vietnamese enemies and their puppets.

Kompong Chhnang battlefield:

Toek Phos District: On 1 October, our national resistance forces attacked and dismantled the Vietnamese-puppet administrative networks at Khse Kar in Chongmong Commune. We freed two village administrators who had been forced to serve the Vietnamese enemies and their puppet-lackeys and two Cambodian soldiers. We also seized an AK and a quantity of ammunition.

South Sisophon battlefield: On 30 September, our national resistance forces fired artillery shells into Vietnamese-puppet position in Kompong Chhnang village. We killed two enemy soldiers and wounded three.

Moung-Pursat battlefield:

Krakor District: On 1 October, our national resistance forces attacked the Vietnamese-puppet troops at Set Borei position, killing two and wounding three. We seized a 60-mm mortar and a quantity of ammunition.

Southwest Phnom Penh battlefield:

Kong Pisei District: On 29 and 30 September, our national resistance forces attacked the Vietnamese enemies and their puppets at Phum Chek and an area north of Kaoh village, killing two. On 2 October, our national resistance forces dismantled a 300-meter portion of road from Trapeang Phong to Slap Leng market place by setting blockades and planting mines.

In sum, our national resistance forces killed or wounded 55 Vietnamese-puppet soldiers; destroyed three trucks; dismantled and dispersed Vietnamese-puppet village administration in four villages; destroyed 5,450 meters of road and a quantity of weapons, ammunition, and war

materiel; seized nine guns and some ammunition and war materiel; and freed 17 village and commune administrators.

## VOK Resumes Battle Reports for 2-4 Oct

*BK1610090790 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 16 Oct 90*

[Text] According to reports from battlefields inside Cambodia, the noncommunist Cambodian resistance forces killed 17 Vietnamese-Heng Samrin troops, wounded some, and seized a quantity of war materiel in five separate clashes in Kompong Thom, Battambang, and Siem Reap Provinces at the beginning of October.

According to the General Staff of the Khmer People's National Liberation Front, at 1330 on the afternoon of 2 October, combatants of the Khmer People's National Liberation Armed Forces [KPNLAF] attacked a position of the Vietnamese-Heng Samrin soldiers in Trach village, Stoung District, Kompong Thom Province. During this attack, which lasted for 30 minutes, some Vietnamese-Heng Samrin soldiers were killed or wounded. The dead and wounded were carried away by their colleagues.

Also at 1330 on 2 October, KPNLAF combatants ambushed a number of Vietnamese-Heng Samrin soldiers in an area one kilometer southeast of Kompong Kdei village in Chikreng District of Siem Reap Province. Following 15 minutes of fighting, two enemy soldiers were killed.

At 0500 on the morning of 4 October, the KPNLAF combatants in cooperation with the National Army of Independent Cambodia attacked a Vietnamese-Heng Samrin position near Vat Speu in Stoung District, Kompong Thom Province. As a result of this two-hour attack, they killed three enemy soldiers and wounded some others; destroyed a military camp; and seized 12 rounds of 60-mm mortar shells, 1,000 rounds of RPK ammunition, 10 B-40 rockets, and eight B-4.5 rockets.

Also on 4 October at 0640, the KPNLAF combatants attacked a Vietnamese-Heng Samrin position along Route 6 near Kouk Svay village in Stoung District of Kompong Thom Province. The fighting lasted four hours and resulted in 12 enemy soldiers killed and some wounded. Our combatants seized three SKS guns, three AK-47's, a case of 12.7-mm ammunition, 18 DH mines, seven B-40 rockets, 11 82-mm mortar shells, and 372 rounds of AK-47 ammunition and destroyed eight military barracks, two guard houses, and a materiel warehouse.

In Battambang Province, on 2 October, the KPNLAF combatants clashed with about 20 Vietnamese-Heng Samrin soldiers west of Kouk Khvav village, about 500 kilometers from Thmar Puok District of Battambang Province. This clash, which lasted for 30 minutes, resulted in a number of enemy soldiers killed or wounded.

## VONADK Reports SRV Troops to Battambang

*BK1210042890 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Oct 90*

[Text] 1. In mid-September, the Vietnamese aggressors dispatched 70 truckloads of fresh troops to the Battambang battlefield [Battambang Province].
2. On 7 October, the Vietnamese aggressors sent another 70 truckloads of fresh Vietnamese troops to the Battambang battlefield.
3. In September, the Vietnamese aggressors twice brought by train fresh troops and war materiel; this was again done in early October.
4. In mid-September and early October, the Vietnamese aggressors brought in ammunition and other war materiel, particularly 100-mm artillery shells, tanks, 122-mm and 130-mm artillery shells, and many batteries of 122-mm multiple rockets. This materiel was brought on 18 train cars with a total weight of over 900 tonnes.

This is the implementation of the Hanoi Vietnamese aggressors' plan to strengthen their forces with all kinds of war materiel to intensify military activities starting from the end of the 12th rainy season. This also clearly shows the Hanoi Vietnamese aggressors and their puppets and lackeys are not willing to implement the agreement they signed in Jakarta on setting up the Supreme National Council with Samdech Norodom Sihanouk as chairman. Vietnam and its puppets and lackeys are making efforts to destroy again and again the document of the five permanent members of the entire UN Security Council, which says Vietnam's war of aggression in Cambodia should be settled politically and comprehensively.

The Hanoi Vietnamese aggressors and their puppets and lackeys have tried their strength against the Cambodian resistances forces, the Cambodian people, and peace- and justice-loving forces throughout the world for nearly 12 years. They are exhausted and nearing their death on the battlefield in Cambodia, in Vietnam, and in the international arena. Now they are gasping for air.

Are the Cambodian people, the Cambodian resistance forces, the world, and the UN Security Council willing to let the Vietnamese aggressors and their puppets and lackeys do whatever they want to destroy the document of the five permanent members of the UN Security Council and the Jakarta agreement?

## Further on Troops

*BK1210041890 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Oct 90*

[Text] On 6 October, the Hanoi Vietnamese aggressors brought 2,100 fresh Vietnamese troops by ship from Vietnam along the lower Mekong River to Phnom Penh. The troops spent two days in Phnom Penh and were then taken by trucks along national Route 5 to Battambang provincial town.

It was clear that: 1) when they were brought by ship from Vietnam, the troops wore different types of clothing—some dressed like civilians and others like workers and students; and 2) upon arriving in Phnom Penh, the Vietnamese soldiers changed their civilian clothes into the uniforms of Heng Samrin troops.

## Indonesia

### Western Governments Urged To Release Oil Stocks

*BK0810153090 Hong Kong AFP in English 0903 GMT 8 Oct 90*

[Text] Jakarta, Oct 8 (AFP)—Indonesia Monday urged Western governments to release their oil stocks and help ease pressures on the oil markets strained by limited supply due to the Gulf crisis.

Commercial stocks in Western industrialised countries had carried the brunt of the burden recently and this had added volatility to the market, Mines and Energy Minister Ginanjar Kartasasmita told journalists. The government stocks should be released to ease the burden on commercial stocks, he said, adding that market prices tended react to changes in commercial stocks.

World oil prices shot past 40 dollars a barrel last week, the highest in 10 years, on fears of a war breaking out in the Gulf, but they eased back to close at between 35-36 dollars by Friday.

The Organisation of Petroleum Exporting Countries (OPEC), of which Indonesia is a member, had already done "the maximum" to help stabilise the market by freeing members from output quotas, Mr. Ginanjar said. "It is now up to consumer countries," he said.

Mr. Ginanjar said there was currently no real supply shortage as supply "just matches" the demand level. He warned however that actual shortage might occur in the coming weeks as demand rose with the approach of winter in the northern hemisphere.

The minister also announced a plan to hold a major energy conference here next week which would be attended by three other OPEC ministers and international oil experts. OPEC President and Algerian Oil Minister Sadek Boussena, and Oil Ministers Jubril Aminu of Nigeria and Celestino Armas of Venezuela have confirmed they would take part in the international energy conference on October 16-18, he said. Also taking part are OPEC Secretary General Subroto, former U.S. Secretary for Energy James Schlesinger and a representative of the Paris-based International Energy Agency which represents the western oil consumers, he said.

### Seminar Views Economic Impact of Gulf Crisis

*BK0910063690 Jakarta ANTARA in English 0340 GMT 9 Oct 90*

[Text] Semarang (Central Java), Oct. 9 (OANA-ANTARA)—Indonesia's annual earnings of 400 million US dollars from the shipment of plywood to the Middle East have been halted as the result of the Gulf crisis, triggered by the Iraqi invasion of Kuwait on August 2, an observer of international affairs and professor at the University of Indonesia said here Monday.

Speaking at a one-day seminar on the impact of the Gulf crisis on Indonesian business opportunities, Professor Yuwono Sudarsono said not less than the 700,000 Indonesian workers in the region were even sent home in the wake of the crisis. Viewed from international law, he said, the invasion was not justifiable, but historically understandable. Kuwait has been declared as the 19th Iraqi province, he added.

Meanwhile, Pande Raja Silalahi, an observer of international economy and a lecturer at the Parahyangan University in Bandung said the crisis has both negative and positive impacts on Indonesia. The impact will be determined by the duration and the form of solution of the crisis, Silalahi stated. According to an estimation made by the World Bank, the oil price would surge to 58 dollars per barrel this year if the crisis escalated into a war and rose to 65 dollars in 1991 and declined to 44 dollars in 1992.

Silalahi said if the war broke out, not only the developed countries or oil exporting countries would suffer economic difficulties, but all countries may experience a short and long term hardship.

Indonesia has exported 120 million barrels of crude oil during the first five months of this year, earning foreign exchange worth 1.9 billion dollars. Each increase amounting to one dollar in oil price will raise Indonesian export earnings totalling 938 billion rupiah and increase the subsidy needed for domestic oil consumption totalling 326 billion rupiah, so that Indonesia will enjoy an additional earning of about 610 billion rupiah, Silalahi said.

With the oil price hike, Silalahi said, it was certainly the readiness of the donor countries to provide Indonesia with loans, which would be more difficult, therefore preparations for any contingency should be made from now.

Silalahi predicted that Indonesian main trade partners such as Japan, the United States, and European oil importing countries will experience a slow economic growth, ranging from 0.5 percent to 1.5 percent. Therefore, efforts which should be made at present are market study and export expansion to the countries enjoying greater economic growth, Silalahi concluded.

### ABRI Personnel Return From Observer Service

*BK1010163990 Jakarta Domestic Service in Indonesian 1500 GMT 10 Oct 90*

[Text] Ten out of 15 Indonesian Armed Forces [ABRI] personnel belonging to the 11th Garuda Indonesia contingent serving under the United Nations Iran-Iraq Military Observer Group have returned home following the expiry of their tenure on 30 September. A press release

from ABRI's information center today said the ABRI personnel, led by Lieutenant Colonel Bambang Ito Yanto, was welcomed upon their arrival by Brigadier Bangsi Susilo.

## Laos

### Party Secretariat Issues Order on National Day

*BK1110091390 Vientiane Domestic Service in Lao 0030 GMT 8 Oct 90*

["Instruction issued by the party Central Committee Secretariat to the party committees at all levels throughout the country on the organizing of preparations to celebrate the 15th anniversary of the 2 December National Day; dated 4 October"; signed by Khamtai Siphandon, member of the Secretariat, member of the party Central Committee Political Bureau, and vice chairman of the Council of Ministers]

[Text] Implementing the decision reached by the Political Bureau and the instruction issued by the Secretariat of the party Central Committee on the organizing of celebrations of the four main festivals in 1990, in the early months of this year, our entire party, army, and people organized celebrations to mark the 35th founding anniversary of the Lao People's Revolutionary Party [LPRP], Comrade Lenin's 120th birthday, and Comrade President Ho Chi Minh's 100th birthday with brilliant successes.

In the next few months, the 15th anniversary of the 2 December National Day, which is a great event of historic significance of our nation, will be observed by our people. On this occasion, our entire party, army, and people will celebrate together this anniversary at a time when the domestic and international situations are changing in a rapid and confusing manner.

To continue enriching our experiences and translating all available essential factors into positive actual deeds to turn the preparation to celebrate of the 15th anniversary of our National Day into a joyous event, the party Central Committee Secretariat has issued an instruction advising all party and administrative committees at all levels throughout the country to appreciate and firnmly grasp the following contents:

**I. Objectives and Expectations**

1. Our entire party, army, and people must be encouraged to clearly understand and be pround of the great all-around and comprehensive achievements and victories scored under the talented and clear-sighted leadership of our party in fulfilling the two strategic tasks, which are defending the country and developing the socioeconomy in our country throughout the past 15 years. At the same time, we must clearly understand the active and responsible contributions by all political, social, and economic organizations in all localities and by all people throughout the period. We must understand the cunning and notorious scheme of the enemies in trying to subvert our Lao revolution so we will always maintain a sense of vigilance and be determined to resist them.

2. We must attentively mobilize the entire party, army, and people to launch movements in all fieleds in a relentless, enthusiastic, and vigorious manner and to emulate with one another in carrying out work with a sense of dedication, creativeness, and efficiency. This is to meet promptly the needs of the political duties in the new period and to normalize and improve gradually the material and cultural life of our cadres, state employees, and multiethnic people.

3. The organizing of the celebration of the 15th anniversary of the 2 December great event this year will be carried out throughout the country in conformity and appropriation with the actual situation and conditions in each locality in accordance with the spirit of being simple and orderly by placing the emphasis on contents as a primary objective and on forms as a secondary one to ensure unification and uniformity in the line of thinking and deeds, security, tranquillity, and frugality. The masses, business organizations, and enterprises must be encouraged to make material and spiritual contributions to make the preparation for celebrating this event a festive movement throughout the country.

**II. Certain Basic Tasks Which Must Be Met**

1. The party commitees at various levels and committees in charge of all ministries must act as a center in guiding the reviews of comprehensive achievements scored by the services and localities under their jurisdiction over the past 15 years with a sense of responsibility. They must regard such reviews as important political documents, important contents for carrying out their political life, a valuable encouragement, and an impetus in pushing the consolidated strength of the masses to advance toward a new step. The reviews must be aimed at pointing out the specific points of the situation, fundamental strenghts and achievements, new progressive factors, and valuable experiences with clear-cut and lurid stistics in agreement with the actual role played and political ideology adopted by each particular service and locality. The reviews must point to the strength and eseential factors which can be further enhanced to bear fruit.

At the same time, the reviews must point out weaknesses, remaining problems, and fundamental causes to convince everyone to uphold a sense of vigilance and responsibility to overcome them. They must also define new directions, duties, and tasks to be fulfilled. Appropriate methods and measures must be outlined to resolve problems radically. Emulation campaigns must be launched and new movements created. After such reviews are prepared and concluded, they must be submitted to respective committees in charge for unified approval. They will then be presented to cadres and state employees for discussions and comments in a democratic manner to select achievements of the past 15 years

for commendation. This phase of work must be finished by the end of October 1990—one month ahead of the anniversary day. Let us take this opportunity to launch a political campaign, to consolidate our faith in the party's policy and line, to strengthen our self-confidence, and to motivate ourselves to fulfill duties enthusiastically. Lectures must be organized to discuss as much extensively and profoundly as possible this anniversary. The Propaganda and Training Board of the party Central Committee is henceforth charged with preparing documents to send as reference to each locality.

2. Political study classes and propaganda campaigns must be organized to publicize the achievements scored during the past 15 years. Other pertinent activities should include emulation campaigns to attain new achievments to welcome the National Day and preparations for National Day celebrations both inside and outside the country. All potentials and mass media vehicles must be exploited from today to serve the celebration of the event. News conferences, photo exhibitions, films and video shows, and interviews to be granted to both Lao and foreign mass media must be worked out by the Propaganda and Training Board and the Informantion and Culture Ministry in collaboration with the Foreign Relations Board of the party Central Committee and the Ministry of Foreign Affairs. Lao embassies abroad must be informed about the contents and objectives of this instruction so they can make necessary prepartions.

3. The entire party, Armed Forces, and people must be enthusiastically mobilized to lauch emulation campaigns to score new achievements to welcome the event. Such campaigns must have clear objectives and directions and be well organized and reviewed regularly. Outstanding personnel must be selected at the end of the campaigns for timely commendation and recognition of their efficiency.

Preparations must be made to tend paddy fields and prevent flood, drought, and pest to ensure timely harvest. Efforts must be made to plan cultivation of dry-season rice and other crops and actively increase production.

Factories and business production units of both the state, collectives, and private sectors are encouraged to boost their production and economic efficiency. Most important is that all business production sectors and enterprises in society must emulate to fulfill their expected obligation to the state budget in time. The administrative apparatuses must emulate to carrying out their specialized duties efficiently and work full time and faithfully. Mass organizations at the central level such as youth, women, and trade unions are hereby assigned to issue expeditiously directives and guidelines for implementation of these plans through their lines of command to local mass organizations nationwide.

4. We must guarantee national defense and maintenance of public security, remain highly vigilant, clearly differentiate friends and enemies, be ready to foil all subversive schemes of the enemies' psychological warfare, and ensure political tranquillity and public peace and order on the National Day at the center and in all localities. The National Defense and Interior Ministries are assigned to instruct all localities to carry out this task.

5. We must energetically improve the political foundation in accordance with Resolution No. 51 of the Political Bureau, aiming at heightening political awareness of all citizens and their participation in the impiementation of all party's lines and enforcement of state laws to ensure peace and order in the country and turn to the grass roots with this political objective.

6. We must promote educational, public health, social welfare, and cultural, literature, and arts works, in both professional and amateur sectors and create a popular movement nationwide for the purpose. This task is assigned to all ministries concerned.

7. We must review the achievements scored during the past 15 years and duly praise agencies, localities, production units, and individuals for their outstanding achievements. This task is assigned to the central organizing committee and State Institute for the Conferment of Victory Medals. They are obliged to work out guidelines and set criteria and conditions for commendation of achievements in each area to be used as reference by all sectors and localities. The consideration and approval for citations must be finalized [words indistrict] no later than 10 Novemeber 1990.

8. On the auspicious occasion of the 2 December National Day, all localities must set schedules for meeting the people of all strata, in particular the elders, pensioners, intellectuals, disabled persons, and families of those who have sacrificed their lives and done good deeds for the nation. This is to review the traditions of the struggle, outstanding achievements, and heroic deeds of personnel at both national and local levels. They must organize visits to hospitals and clean and lay wreaths at monuments of unknown soldiers and other places as they deem appropriate.

### III. Methods of Implementation

1. Upon receiving this instruction, party organizations at all levels are instructed to study thoroughly its contents and spirits and plan its detailed implementation in conformity with actual conditions in each area. The implementation of this instruction must be closely supervised and carried out by responsible personnel to ensure successes. The celebration of the 15th National Day anniversary must be regarded as an important part of our political life.

2. The Secretariat of the party Central Commmittee confers all responsibilities on the Central Committee in Charge of Guiding and Organizing the Celebrations of Four Great Events in 1990 in supervising related undertakings from the beginning to the end. Party organizations in all localities are instructed to set up committees in charge of the celebration.

3. At the center, a grand celebration will be held in Vientiane. The event will include parades, show of people's force, and various exhibitions as planned by the Central Committee in Charge of Guiding and Organizing the Celebrations of the Four Great Events in 1990. All provinces and districts are instructed to organize rallies to celebrate the National Day as conditions permitted.

4. All sectors and agencies must closely coordinate to make comprehensive and timely preparations for the celebration.

5. After the celebration of the National Day, all localities are instructed to submit their evaluation of the celebration to the Secretariat of the party Central Committee by the end of December 1990.

6. Use the following slogans for the celebration of 2 December National Day:

1) Wholeheartedly praise the great, comprehesive, and stable achievements scored by the entire party, Armed Forces, and people during the past 15 years!
2) Resolved to implement and materialize the party's restructuring line and step forward to score new greater victories!
3) Long live the Lao People's Democratic Republic!
4) Long live the LPRParty—organizer and leader of all victories of the Lao Revolution!
5) Lovingly live the spirit of the 2 December National Day!

The secretariat of the party Central Committee assigns the Central Committeee in Charge of Guiding and Organizing the Celebrations of the Four Great Events in 1990, local organizing committees, and party organizations at all levels nationwide to act as the core to supervise and organize the strict implementation of this instruction.

[Date] Vientiane, 4 October 1990
[Signed] Khamtai Siphandon, on behalf of the Secretariat of the party Central Committee

### Editorial Reviews National Day Instruction

*BK1210133590 Vientiane Domestic Service in Lao 1200 GMT 9 Oct 90*

[PASASON 9 October Editorial: "Organize Well the Implementation of the Party Central Committee Secretariat Instruction"]

[Text] On 6 October [date as heard], the Secretariat of the Party Central Committee issued an instruction on preparations for the celebration of the 15th anniversary of the 2 December National Day, with the aim of mobilizing the Lao people nationwide to energetically and extensively score achievements and victories to welcome the founding anniversary of the Lao People's Democratic Republic.

The instruction urges party and administrative committees at all levels in the entire country to grasp fully the objectives and expectations of the celebration; pay attention to certain undertakings; plan ways to organize the implementation and materialization of this instruction; assist the entire party, army, and people to fully appreciate the great all-around and comprehensive achievements and victories scored under the clear-sighted party leadership in implementing the two strategic tasks of national defense and socioeconomic development during the past 15 years; create strong people movements to fulfill the second five-year state plan to pave the way for the implementation of the third five-year state plan from 1991 to 1995; and organize the celebration of the 2 December National Day simply and orderly, by emphasizing the contents as a primary objective and the forms as a secondary objective to ensure unity and uniformity in the line of thinking and deeds, security, tranquility, and frugality. The masses, business organizations, and enterprises must be encouraged to contribute materially and spiritually in preparing to celebrate this event as a festival throughout the country.

Another task to be carried out is that party committees at all levels, committees in charge of all ministries, and localities must act as guides in the reviews of comprehensive achievements scored by the services and localities under their jurisdiction over the past 15 years. They must regard the reviews as important political documents with contents important for their political lives. They must treat them as a source of encouragement and an impetus in consolidating the strength of the masses for advancing to the next step. At the same time, they are instructed to select achievements for commendation before the end of October; launch propaganda campaigns; organize political ideology classes and news conferences to publicize the all-around achievements scored over the past 15 years; accelerate the implementation of 1990 plan; encourage farmers to increase monsoon rice production and, at the same time, map out better plans for cultivating dry-season rice and other crops; exert efforts to implement the plan for grass-roots development according to Resolution 51 of the Political Bureau; and energetically promote educational, public health, cultural work.

As the 2 December National Day approaches, party committees at all levels in the entire country must expeditiously start implementing this instruction to achieve the objectives and expectations, according to the contents and stipulated methods so the celebration of the 15th National Day on 2 December will be an unprecedentedly grand and festive event.

## Philippines

### Officials Comment on Future of U.S. Bases

*HK1510040990 Manila MANILA BULLETIN in English 15 Oct 90 pp 1, 24*

[By Maricia C. Rodriguez]

[Text] Angeles City—The government's desire to have "sovereign control" over Clark Air Base is a laudable nationalistic goal but it would be difficult to implement.

It would take about $30 million or roughly P750 million a year just to cut the grass, clean the canals, and maintain the buildings in Clark Air Base, according to Lt. Col. [Lieutenant Colonel] Ron Rand, public affairs officer of the 13th Air Force with headquarters at the Clark Air Base in a briefing for the Malacanang Press Corps at the base.

Brig. Gen. [Brigadier General] Demetrio Camua, deputy commander of the Clark Air Base Command (Cabcom), also noted the huge resources needed for the upkeep of the 53,000-hectare Clark if it is to be maintained as good as it is today. He said the military would be able to take over the Clark Air Base, one of four U.S. military facilities in the country that the government aims to immediately take over, so long as the needed resources are available.

Pampanga Gov. Bren Guiao, chairman of a group studying the conversion of Clark, assured that government will be ready with the resources to maintain Clark Air Base. The fund will come from the proceeds of the sale of military camps in Metro Manila, he said.

The industrial progress of Pampanga, Guiao said, does not lie solely on the presence of the U.S. base but on the cooperation of the private sector with the local government. He noted that unemployment rate in the province has decreased from 15.1 percent when he took over four-and-a-half years ago to 5.6 percent today.

Health Secretary Alfredo Bengzon, vice chairman of the President's Committee on the Bases and the Legislative-Executive Bases Council, said earlier that Clark Air Base is being eyed for use by the Philippine Air Force jointly with the U.S. Air Force starting January even before the Military Bases Agreement [MBA] expires on Sept. 16, 1991.

Clark's total annual operating budget is about $110 million, according to Maj. [Major] Wayle Crist, assistant public affairs officer of the 13th Air Base. This is about 100 times more than the Cabcom's yearly appropriation which, Camua disclosed, is about P3.5 million or roughly $140,000.

Because of the uncertainty of the fate of Clark Air Base after 1991, new constructions have been frozen. Ongoing constructions at the Clark Air Base such as housing and barracks worth $150 million will be continued, Rand said.

He said that in the event that the Philippines does not negotiate a new treaty with the U.S., the permanent structures will stay while the movables will be pulled out.

Guiao said the government has to proceed cautiously not to antagonize Americans, or else run the risk of losing permanent fixtures at the base. He compared the base to an apartment where fixtures put in place by tenants are removed after their stay.

Camua attributed the meager resources given to the 900-man Cabcom to the fact that it is a non-fighting unit and hence, has low priority in the Armed Forces. Cabcom soldiers, for instance, receive only P30 in daily subsistence, P10 of which is spent for food while the rest is sent to their families. But even with P10, soldiers are hardly able to buy a decent lunch, he said.

Except for disparity in resources, the Cabcom does not have any problems with the U.S. troops in the bases. Guiao noted that junior U.S. officers did not salute Filipino military officers but this was corrected by urging them to learn about the military insignia.

Filipino soldiers, however, appear to be shy and less aggressive partly due to their lack of proficiency in English.

Bengzon said the Philippine Air Force (PAF) will use Clark Air Base starting January, 1991 even without an agreement with the U.S. government. Bengzon said that even prior to the termination of the Military Bases Agreement on Sept. 16, 1991, there may be combined use of Clark by U.S. and the Philippines Air Force.

Comparing the Philippines to a houseowner and the U.S. to a tenant, Bengzon said, the owner does not have to have an agreement with the tenant on the lease if the tenant is merely using things from your house. Bengzon said the government will "Filipinize" and "civilize" [as published] Clark. The "commercial" use of the bases will be encouraged.

Asked whether the government would allow access of U.S. troops to the bases after the MBA, Bengzon said the government "would not like any foreign combat troops" in Clark in line with the provision of the Constitution. The government would allow air cargo of other countries, including the Soviet Union, in view of the changes in the world order, he added.

The Philippine panel disclosed during the second round of talks the desire of the government to gain "sovereign" control of Clark and four smaller U.S. facilities in the country. The commercialization of the Subic Naval Base is also being considered, he added.

Bengzon said that in the next few weeks, the Bases Conversion Authority may hopefully be created through legislation to activate the plans of the Legislative-Executive Bases Council headed by University of the Philippines president Dr. Jose Abueva. He said activating conversion plans would be a positive signal to foreign investors.

Negotiations with the U.S., which will resume on the third week of October, is "going according to plans," he said. Technical committees of the U.S. and Philippines are studying concerns such as the environment, health, science and technology, and trade.

Debt relief will be pursued "on its own merits" but will not be linked to the fate of the U.S. military facilities, he added.

## PRC Opposes Act on Relations With Taiwan

*HK1610040190 Manila MANILA BULLETIN in English 16 October 90 p 1, 18*

[By Romy V. Mapile]

[Text] The embassy of the People's Republic of China (PROC) issued ysterday a strongly worded statement opposing the passage of the Philippines- Taiwan Beneficial Relations Act now pending in Congress and warned of instant reaction by the Chinese government in case the bill is enacted into law.

First Secretary Guo Baocheng, PROC Embassy spokesman, stressed the oft-repeated declaration by China that the essence of the bill is to recognize Taiwan as a political entity, through legislation, leading to the creation of "two Chinas" or "one China, one Taiwan."

Taking cognizance of the publicity the proposed law has been getting in the local press, the PROC statement charged a serious violation to the Joint Communique on the Establishment of the Diplomatic Relations between China and the Philippines.

"The Taiwan authorities, by taking advantage of the economic difficulties confronted by RP [Republic of the Philippines], have resorted to all means and tricks to expert their ifnluence and pressure, and even openly requested Philippine Congress to pass the bill in an attempt to undermine the freiendly relations between China and RP," the spokesman said.

"It has long been recognized by the international community that the government of the PROC is the sole legal government representing the whole China and that Taiwan is an inalienable part of the Chinese territory," Guo Baocheng said. Guo Baocheng said PROC has opposed establishment of official ties and contacts of an official nature with Taiwan by countries having diplomatic relations with China.

The spokesman said that the PROC severed diplomatic relations with Guinea-Bissau and Lesotho last year after the two African states opened official ties with Taiwan. He added that relations were also suspended with Liberia, Grenada, and Belize, for the same reason.

The statement, however, also cited the new stage in the relationship between China and the Association of Southeast Asian Nations (ASEAN). China has restored diplomatic relations with Indonesia and Singapore.

"It is our hope that those people who are busily advocating the Philippines-Taiwan Beneficial Relations Act would have a wide vision, make a correct judgment of the situation, and refrain from doing anything which runs against the historic trends and infringes upon the best interests of the two peoples of China and the Philippines," the statement said.

## Aquino Reassures PRC on Policy

*HK1610102990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 16 October 90*

[Report by Dick Sinchongco from Malacanang—live or recorded]

[Text] President Aquino reassured the PRC that her government would remain faithful to its one-China policy, or the recognition of only one China. However, the president stressed that the Philippine Government would continue its trade relations with the Republic of China, or Taiwan. She explained that the policy did not prohibit business and trade relations with Taiwan.

The president made this announcement following a protest lodged by the PRC Government against the strengthening of the Philippines-Taiwan Trade Relations Act. She added that the Philippine Government was ready to talk with officials from Red China regarding the controversy. Red China is vehemently against the proposed bill pending in the Philippine Congress which would allow the establishment of trade relations between the two countries.

## Columnist Views Convenant for Nonviolence

*HK1610040590 Manila THE MANILA CHRONICLE in English 16 Oct 90 p 1, 6*

[From Amando Doronila's "Analysis" column: "New Covenant a Step in the Right Direction"]

[Text] The signing on Oct 10 of a Covenant for Nonviolence and Democracy by key political leaders, including President Aquino, is more than a step towards political reconciliation and justice. It is an important political document which opens the way for a broad-based social pact through which the nation can cope with the current economic and political-leadership crisis.

Unfortunately, the announcement of the covenant hardly created waves, possibly because its signatories represented only the political parties and it is easy to regard this as another of those cozy arrangements among the political elite. Nonetheless, the covenant plants the seeds for expansion into what may be called a "social pact for national emergency," which can serve as a framework for strategic social groups—such as the political parties, the church, the military, the businessmen, the trade unions, the peasant unions and the cause-orineted groups—to address a possible emergency.

The limited political scope of the covenant is indicated by the signatories, who are or have been power brokers in society—President Aquino, Senate President Jovito Salonga, as president of the Liberal Party, Sen Juan Ponce Enrile, for the Nacionalista Party, Sen Neptali Gonzales, president of the LDP (Laban ng Demokratikong Pilipino) [Struggle of Philippine Democrats],

Speaker Ramon Mitra, Sen Aquilino Pimental, for the PDP-Laban [Nation's Strength], former Justice Cecilia Munoz Palma, chairperson of the Constitutional Commission, and former President Diosdado Macapagal.

The covenant expresses deep concern about the "gravity of the present crisis... aggravated by the lack of consensus among our people on certain basic" issues, among them, the U.S. military bases, foreign debt, the communist insurgency and economic and social inequality.

The signatories agreed that conflict should be resolved by non-violent means, without which democracy cannot survive; that while the majority rule, the rights of the minority to speak out freely must be respected; that all kinds of violent change, including coups d'etat, be rejected; and that social inequality be redressed and poverty alleviated.

The covenant has two important shortcomings: the first is that it does not address the issue of how to cope with a possible emergency that may arise, for example, from the worsening of the Gulf crisis; and the second is that other strategic social groups are not included in the solving of national problems.

In the formation of a social pact, we are not thinking of power-sharing by a small exclusive group. We are thinking of enlisting not only the political leadership and the political parties but also the church, the military, the unions, the businessmen and the cause-oriented groups (including the non-governmental organizations) into a national consensus to share sacrifices, not benefits. The Middle East crisis is so volatile that if war breaks out, a further rise in oil prices can immediately depress the global economy and put intolerable stresses on the Philippine economy.

In such an emergency, the national government will be forced to call on all the people and all the sectors to share the burden of austerity, the ravages of inflation and the responsibility of maintaining social peace. A consensus will be required, for example, on (1) how much oil price increases can be tolerated by the public and business and industry; (2) how much wage increases can be awarded to the working class; (3) how much profits business and industry can cut without impairing production; and (4) how much new taxes can be legislated and who bears most of the burden.

As shown by public opinion polls and in the quick crushing of the Mindanao rebellions, the nation has made it clear that it rejects military takeovers or violence as a method of political change and that, even if the political leadership is weak, the people are loath to see a military dictatorship take power. The notion seems to be holding that, if the nation could take the worst of the crisis through sharing of sacrifices, then the elections of 1992 could provide the venue for political change.

The nature of the crisis is so complex that a military takeover cannot ensure that a junta can tackle the crisis more effectively than the Aquino government, as inept as it is. Military rule could even be worse because it would curb political liberties.

The purpose of a social pact is precisely to mobilize the strategic sectors into an arrangement that will cushion the failings of an incompetent government and open initiatives for these groups to prevent a constitutional system from collapsing under stress of an emergency.

This proposal is not based on the corporatist "social pact" in Latin America, where strategic institutions or groups were orchestrated by the government during the period of authoritarianism in the 1960s and 1970s, in a scheme of power-sharing. This led to the consolidation of the rule by the juntas.

The social pact can push further initiatives already taken by business to try to turn the economy around. But it is still necessary for the government to serve as the pivot for this political mobilization. The political leadership will be required to spell candidly the sacrifices that are to be made, why they have to be made, and how they are to be distributed. If this is explained competently, the people will respond favorably.

For example, most are aware the spiralling oil prices, which are causing so much economic difficulties, are not the responsibility of this government. Neither is it responsible for the wave of disasters that have struck the country in the past few months. But it cannot escape the responsibility of having to respond creatively to an emergency.

But the people have to be told the score, they are aware that there is a visible leadership in the political center that is willing to govern, and there is a consensus among the strategic social groups to share in the sacrifices imposed by an emergency.

The point in this strategic mobilization is this: We swim or sink together.

### Mindanao Independence Movement Founder Charged

*HK1310052790 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 13 Oct 90*

[Text] Former Cagayan de Oro Mayor Reuben Canoy has been formally sued for illegal possession of firearms in furtherance of rebellion. The suit was announced by the Cagayan de Oro City regional trial court. According to Judge Silvestre Bello, the filing of the charge against Canoy was on the recommendation of an investigative council after it investigated a complaint presented by the region's Criminal Investigation Service [CIS]. Bello said CIS agents recovered a 9-mm calibre pistol and ammunition from Canoy's house. Earlier, Canoy, the founder of the Mindanao Independence Movement, was sued for illegal assembly.

## Canoy Rearrested, Jailed 14 Oct

*HK1510041590 Manila THE MANILA CHRONICLE in English 15 Oct 90 pp 1, 9*

[By Manny Mogato, staff member]

[Text] The military yesterday rearrested and jailed Mindanao separatist leader Reuben Canoy after the government had filed new charges against him.

Lt. Col. [Lieutenant Colonel] Cresencio Maralit, constabulary spokesman, said government prosecutors filed charges of illegal possession of firearms and ammunition against Canoy after troops raiding his house last Oct. 9 found a .9 mm pistol and bullets.

The separatist leader, rearrested in Cebu City and flown to Camp Crame where he is now detained, is also scheduled to appear before the justice department's preliminary inquiry into his alleged involvement in the failed Mindanao revolt.

Canoy was earlier arrested at the VIP Hotel in Cagayan de Oro City after government lawyers had filed a motion cancelling bail for his rebellion case arising from the December 1989 coup attempt. He was allowed to leave Cagayan de Oro for Cebu after posting bail on charges of illegal assembly at the height of the Mindanao revolt.

Defense Undersecretary Leonardo Quisumbing is arriving today in Cagayan de Oro to investigate the causes and effects of the revolt.

The military launched an all-out manhunt in Mindanao to get 80 military officers, soldiers and tribal leaders who had fled to the mountains to resume fighting after the Mindanao revolt.

In a briefing for Defense Secretary Fidel Ramos, Brig. Gen. [Brigadier General] Antonio Nale, acting commander of the 4th Infantry Division, named the officers as Maj. [Major] William Dormitorio and 1st Lt. Allan Martin, a certain Major Habino, a certain Lieutenant Panaligan and "two others."

Government officials were also negotiating the surrender of Datu Lilang Manpatilan, chieftain of the Higaonon tribesmen who supported the rebellion.

Senior military commanders in northern Mindanao said seven more civilians from the cities of Cagayan de Oro and Butuan might be charged with rebellion, along with Canoy, renegade army Col. Alexander Noble and their followers. But they refused to give names.

Both Dormitorio and Martin belonged to the 53rd Infantry Battalion, which seized control of the 402nd Infantry Brigade headquarters in Bancasi, Butuan City at the start of the rebellion. Martin, a Class '82 graduate of the Philippine Military Academy (PMA), is a member of the underground Young Officers' Union (YOU) and classmate of captured YOU spokesman Capt. [Captain] Diosdado Valeroso.

## Noble 'Disappointed' With RAM Over Mindanao

*HK1310053990 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 13 Oct 90*

[Text] Armed Forces of the Philippines chief General Renato de Villa said detained mutiny leader Alexander Noble was said to be disappointed with the Reform the Armed Forces Movement-Soldiers of the Filipino People or RAM-SFP as a result of its failure to adhere to its promise to support the Mindanao rebellion. De Villa also said Noble has reportedly agreed to renounce violence and face the consequences for his actions. According to De Villa, Noble did not ask for amnesty. Noble reportedly told De Villa he was sacrificed by the RAM-SFP leaders.

## Noble Asks Pardon for Tribesmen Supporters

*HK1510071390 Quezon City Radyo Ng Bayan in Tagalog 0600 GMT 15 Oct 90*

[Report by Josette Olivera from Camp Aguinaldo]

[Text] Renegade Colonel Alexander Noble has asked Armed Forces Chief of Staff General Renato de Villa to pardon the Higaonon tribesmen. The Higaonon tribesmen were Noble's followers during his pocket rebellion in Mindanao recently. De Villa said that Noble was worried that the tribesmen may be harmed now that they no longer had a leader. According to De Villa, Noble said that the said tribesmen had no intentions against the Aquino government. Here is Josette Olivera with the details.

[Begin recording] [Olivera] In relation to this. De Villa gave the reassurance that Noble's request regarding the Higaonon would be studied but he said that all of them should surrender.

[De Villa] [Passage indistinct] asked if the Higaonon could be pardoned. Other than that [passage indistinct] that is what he said. But I told him how could they be forgiven, if they have not yet surrendered? We will first study what the best approach will be.

[Olivera] It will be recalled that Noble surrendered to Senator Aquilino Pimentel after an unsuccesssful three-day pocket rebellion in Butuan and Cagayan de Oro City during the first week of October. [end recording]

## Aquino Approves Infrastructure Projects

*HK1310074190 Manila PHILIPPINE DAILY INQUIRER in English 11 Oct 90 p 9*

[By Gerry Lirio]

[Text] President Aquino last night approved 21 infrastructure projects with an aggregate cost of P26.4 billion for the constructions of various public facilities damaged by the powerful July 16 earthquake.

During the regular weekly Cabinet meeting, Ms. Aquino also approved a total of seven major development programs with an estimated cost of P6.152 billion to be implemented nationwide.

Among the projects approved were the construction of an irrigation system in Rizal and nearby provinces, the rehabilitation of national water system in Mindanao, the expansion and modernization of Mactan International Airport, a road project in Metro Manila, the last phase of the small islands diesel power project, and the cementing of the Laoag-Allacapan national road.

The President said implementation of the projects will start January next year.

During the meeting, Economic Planning Secretary Cayetano Paderangga reported that the Asian Development Bank is offering to finance a reconstruction project in the six Northern Luzon provinces devastated by the tremor. The project which is estimated to cost some $123 million is intended to assist the government in reconstructing infrastructure facilities in the six provinces, he said.

Paderranga also announced that the government has adopted a policy limiting the use of imported coal in the operation of coal-fired thermal power project.

## Finance Chief Unveils Deficit Reduction Package

*HK1510041990 Manila BUSINESS WORLD in English 15 Oct 90 p 2*

[Text] Finance Secretary Jesus P. Estanislao said the country is at a cross-roads between crisis and stability as he unveiled a deficit reduction package that will slash the budget gap by P8.9 billion in 1990, P55 billion in 1991, and P70 billion in 1992.

Speaking to reporters after a two-hour meeting with Congressional leaders last Friday to tackle the budget dilemma, Mr. Estanislao said, "A crisis will surely come if we don't do something quickly."

He noted that the policy direction since July has been exactly opposite of what it should be, citing the delay in passing on higher world oil prices to consumers and the erosion of government revenues due to the cut in oil taxes as policies that have to be reversed.

The deficit reduction package agreed to with Congressional leaders involves a combination of cuts in expenditures and new revenue measures.

The plan calls for government spending to be pared by a further P5 billion in 1990, P20 billion in 1991, and P31 billion in 1992 earlier this year, President Aquino mandated all government agencies and departments to save 10% of their budgets.

Mr. Estanislao stressed that the cuts will not touch government expenditures on public infrastructure, adding that infrastructure spending will actually go up especially for Metro Manila which has been "neglected."

New revenue measures being eyed are a windfall profit tax, an affluent consumption tax, an energy savings tax, and a 3% across-the-board import levy. Together, these measures are expected to generate P2.2 billion in 1990, P23.3 billion in 1991 and P20.2 billion in 1992.

### Other Elements

Other elements of the package include increasing tax collection efficiency, accelerating the privatization program, and reforming the tax system.

Mr. Estanislao said the impact of the July 16 earthquake was "absorbable" and already taken care off, as the country has obtained $500 million in cash and commitments from foreign creditors to fund rehabilitation efforts.

But the impact of the Gulf crisis has been larger and beyond the capacity of the economy to absorb. He said a financial solution to the country's higher foreign currency needs through international creditors is possible, but fingered the internal Philippine policy response as the bigger problem.

Mr. Estanislao recommended that the Government refrain from shielding consumers from higher oil prices.

## Foreign Creditors Assured on Debt Moratorium

*HK1510042790 Manila THE MANILA CHRONICLE in English 15 Oct 90 p 1*

[By Arleen Chipongian, staff member]

[Text] The Aquino government has assured its foreign creditors that it would not stop paying the country's debts.

Finance Secretary Jesus Estanislao, the chief debt negotiator, said at the weekend that he had relayed the assurances after some of the creditors, notably Japan, had announced they were deferring negotiations for new loans amid talk particularly in Congress about debt moratorium.

"The policy of the Executive branch is to be responsible to creditors," Estanislao said. "We cannot cut off our relationship with our very sources of foreign financial assistance." He had made that clear, he said, in the recent annual meetings of the board of governors of the International Monetary Fund and the World Bank in Washington.

Executive officials, in a meeting Friday with Congress leaders, noted that with the deficit in the balance-of-payments expcted to amount at worst to $1.5 billion this year, the country would need new foreign loans to augment its international reserves.

The government is now rushing revisions in the 1990-92 economic plan for the forthcoming IMF semestral review of the country's economic performance, policies and programs.

An IMF approval of the program is crucial to the Philippine Assistance Program (PAP), designed to raise billions of dollars in foreign aid and concessional loans from governments and multilateral financial institutions for the rehabilitation of the Philippine economy.

The second session in which pledges to the program will be solicited will be held before yearend or in mid-January next year.

Specifically dependent on the economic picture that the IMF will be looking at is the disbursements of promised loans, which include a $150-million "disaster facility" from the IMF and the remaining $117 million from the $715-million package from creditor banks.

The country's foreign-exchange problem stemmed from the rise in the prices of imported crude oil, going to as high as $40 a barrel and remaining as volatile as the situation in the Persian Gulf, the main crude source.

With the delay in release of new loans, the government is left to local sources for its dollar reserves, putting tremendous pressure on the peso vis a vis the dollar.

## Increase in Foreign Investments Reported

*HK1610041990 Manila BUSINESS WORLD in English 16 October 90 p 2*

["Indicator" column: "Foreign Investments"]

[Text] Foreign investments in new and existing domestic entities hit the P[Peso]1-billion record last August. This indicates significant increments of 77% and 108% against month-ago and year-ago levels, respectively.

Also, the share of foreign investments to total investments expanded by four percentage points from last July's 25% to 29%. However, in terms of monthly growth rate, foreign investment decelerated by 46.83 percentage points compared to last July's 123.71% increase and by 8.68 percentage points against the year-ago 85.68% rise.

What may have doused its growth was the perceived political instability in the country. Henry Schumacher, executive vice-president of the European Chamber of Commerce of the Philippines, said that while the growth potential of the country remains strong, foreign investors are afraid of the security of their personnel.

Restrictive investment regulations have also hampered the influx of foreign capital into the economy, he said. These include limits to foreign equity in business enterprises aand land ownership. Foreign investors also have to contend with lack of infrastructure and communication facilities.

In response, the Security and Exchange Commission (SEC) drew up a reform package to ease restrictions on foreign investments. Although President Aquino favors such moves to attract foreign investments, she believes that the initiative must come from the legislative bodies to determine the necessary amendments to the country's laws governing foreigners.

During the period in review, the manufacturing industry not only captured the bulk or 91% of total foreign investment but it also turned out to be the favorite investment area as 122 foreign investors or 33% of total foreign investors poured capital into this industry.

The wholesale and retail sector trailed a distant second with 97 investors with capital infusions amounting to P9.37 million.

The Japanese were the biggest investors with capital infusions of P549.87 million which translates to 55% of aggregate foreign investments. Such has been the trend during the past months when the Japanese, together with other Asian nationals, usually lead the pack of investors.

**Foreign Investments in New & Existing Domestic Entities (in million pesos)**

| | August 1990 | July 1990 | August 1989 |
|---|---|---|---|
| Number | 368 | 289 | 267 |
| Amount | 1000.31 | 564.53 | 480.13 |

Source: Securities and Exchange Commission

## Wage Board Grants 'Across-the-Board' Increase

*HK1610041790 Manila THE MANILA CHRONICLE in English 16 October 90 p 1, 6*

[By Booma Cruz]

[Text] The Metro Manila wage board yesterday granted a P [Peso] 17 across-the-board wage increase to all minimum wage earners in the metropolis. The increase, to take effect 15 days after the publication of the wage order, raises the daily wage from P89 to P106. But the workers, who had asked for a P38 raise, rejected the P17 and immediately threatened a general strike.

Bernardino Julve, chairman of the wage board, said the decision, reached after closely weighing the position papers of labor and the employers, was "the most reasonable under the prevailing circumstances."

"The board decided to grant wage increases rather than the emergency living allowance (ELA), which the employers proposed," he said. "The body agreed to adopt a high inflation rate in coming up with the amount of increase. The employers also did not insist on the strike moratorium, which was one of the conditions they had earlier asked in exchange for an ELA."

The wage order was based on, among other things, an 18.5% inflation rate projected by the National Economic and Development Authority (Neda) for the fourth quarter of the year.

Vicente Leogardo, director general of the Employers Confederation of the Philippines (Ecop) and employers'

representative to the wage board, said the increase was the "best compromise. The decision was based on objective economic criteria," he said. "There are no losers nor winners in this decision. We have to defer to the rule of collegiality.

"The question of whether the economy can absorb such an increase is a problem which has been bugging us ever since. But we have to cope and defuse the tension by arriving at a decision. I can only cross my fingers that employers can absorb this increase."

Employers representatives had fought at first for a P10 to P12 additional living allowance, arguing that the amount was compatible with the minimum projection of a 15% inflation rate for the last quarter.

Leogardo also said the employers had decided not to insist on its condition that the workers observe a 15-month strike moratorium because the employers felt that the National Tripartite Industrial Peace Council, not the wage board, was the proper forum for it.

"The strike moratorium might not be within the competence of the wage board," he said.

The unionists, on the other hand, expressed dissatisfaction with the decision.

"Hindi masisiyahan ang manggagawa sa P17 a day. Pinaglaban namin ang P38, ngunit hindi kami ang nag-dedecide ng issue—and buong board [The workers will not be happy with P17.00 a day. We fought for P38.00, but we are not the ones who decide on the issue—it is the whole board]," said Danny Ang, secretary-general of the Lakas Manggagawa Labor Center (LMLC) and labor representative to the wage board.

He said the scheduled Welgagng Bayan [strike] might be launched sooner, since the announcement of the wage order had already been made. He said the details of the strike plan would be disclosed today.

"Kanila na lang kung mas mababa sa P38. Nakakahiya pa sila dahil nagibibgay sila ng hindi naman tatanggapin ng manggagawa [They can keep it, if it is below P38.00. They will be the ones embarassed because they will give something which the workers will not accept]," said Potenciano Flores, counsel for the Kilusang Mayo Uno (KMU).

He said workers could not accept anything less than P38, considering that they were entitled to even more. He cited a recent study by the University of the Philippines School of Labor and Industrial Relations (UP Solair) showing that workers needed P62.88 to achieve the daily living wage of P288.56 for a family of six with 2.4 breadwinners. The study, based on the 16.7% inflation rate last September, estimated the daily living wage of each breadwinner at P139.76.

## Metro Manila Reservists Called for Training

*HK1310092790 Quezon City Radyo Ng Bayan in Tagalog 0900 GMT 13 Oct 90*

[Text] All reservists in Metro Manila were ordered to report to their heaquarters tomorrow at 1700 tomorrow. The order came from Armed Forces Chief of Staff General Renato de Villa. According to De Villa, the test is part of the regular training program for reservists and to ensure their preparedness for the call of service. The assembly areas for the reservists are the Philippine Army, Fort Bonifacio; Philippine Constabulary, Camp Crame; Philippine Navy, Bonifacio Naval Station; and Philippine Air Force, Villamor Air Base.

## Drilon Challenges RAM To Offer Peace Proposal

*HK1310053590 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 13 Oct 90*

[Text] Justice Secretary Franklin Drilon challenged the Reform the Armed Forces Movement or RAM to offer a peace proposal if they really want to join the government and communist rebels peace talks. Drilon said if the rebel soldiers do this, they are giving the government the basis for a decision regarding their inclusion in the peace talks.

## Makati Hotel Bombings Blamed on YOU Official

*HK1610051590 Manila DIYARYO FILIPINO in Tagalog 16 October 90 p 7*

[By Fer Taboy]

[Text] A captured Young Officer's Union [YOU] leader and spokesman has been pointed out as the culprit in the bombings of two Makati hotels last September 23.

Three Mandarin Oriental employees positively identified Captain Diosdado Valeroso, in front of Brigadier General Pantaleon Dumlao, chief of the Criminal Investigation Service [CIS], as one of two persons responsible for bombing the said hotel. For security reasons the CIS refused to disclose the identities of the three witnesses who testified against Valeroso.

According to the three witnesse, Valeroso entered their hotel together with another YOU official, identified as 1st Lieutenant Renato Padua, before the explosion took place at the said establishment.

The Manila Nikko Garden Hotel bombing, which was blamed on the RAM-SFP [Reform the Armed Forces of the Philippines-Soldiers of the Filipino People] and YOU, came simultaneously with the bombing at the Mandarin Hotel.

In a prior CIS investigation, Padua had already been identified as one of the leading suspects in the bombings of the two hotels and other bombings in Metro Manila.

Valeroso is a member of Philippine Military Academy [PMA] Class of 1982 and was involved in two attempted coups, on 28 August 1987 and in December 1989. He was

last assigned to the PC-INP [Philippine Constabulary-Integrated National Police] Intelligence Command (C-2).

Padua, a member of PMA Class 1987, is said to have also been involved in the failed December 1989 coup and is currently being hunted down by the military.

Valeroso vehemently denied any involvement in the said hotel's bombing. According to him, when the said incident took place he was talking to his sister-in-law in Navotas. "I was extremely surprised when the three witnesses pointed me out because I did not even enter the hotel." Valeroso added.

In addition, the YOU spokesman criticized the military for their false accusations against their group. "Why did the bombings stop when they arrested a low-ranking official of the YOU?" Valeroso said

Dumlao said that the CIS would file charges at a military court against Valeroso for violating the Articles of War.

### Communists Publish Peace Talks 'Agenda'

*HK1510125990 Hong Kong AFP in English 1233 GMT 15 Oct 90*

[Text] Manila, Oct 15 (AFP)—Philippine Defense Secretary Fidel Ramos on Monday warned against an agenda for peace talks proposed by communist rebels which is topped by the removal of U.S. military bases in the country next year.

"I think they are going way beyond the limits of the peace process initiated by the government and guided by the previous statements of President Corazon Aquino," Mr. Ramos said in a statement.

Mrs. Aquino refused to comment on the proposals from the National Democratic Front (NDF), contained in a draft agenda carried Monday by Manila's MALAYA newspaper.

She had earlier expressed willingness to forge cease-fires with the rebels in areas devastated by last July's killer earthquake in the main island Luzon and to explore new peace talks, but rejected their political demands.

"I think that the NDF is trying to gain more turf, more clout and a posture of greater strength at the expense of the armed forces," Mr. Ramos said, apparently referring to an offer of "fraternal unity" from the rebels.

The NDF, political arm of the banned Communist Party of the Philippines and its guerrilla force the New People's Army, entered into peace talks with the government in late 1986 but the talks bogged down and fighting resumed.

The MALAYA newspaper reported that the NDF had sent government go-betweens a nine-point agenda for a national peace dialogue, including removal of the U.S. bases and a halt to foreign-debt repayments.

It said Senator Wigberto Tanada, a left-wing Aquino ally with access to the NDF, had urged the government to consider the proposal in view of the crisis facing the country.

The Aquino government, rocked by seven military rebellions in the past four years, is facing a severe financial crisis because of a budget deficit, dwindling reserves, and skyrocketing world oil prices.

The NDF's reported agenda includes abandoning the new economic program to liberalize the economy, lower domestic oil prices, wage increases for workers in the government and private sector and protection of the environment.

"I think we should be very careful about this. After all, government is already effectively addressing all of these concerns of our people," Mr. Ramos warned Monday.

### Cordillera PLA Group Integrated Into Military

*HK1510150090 Quezon City Radyo Ng Bayan in Tagalog 0620 GMT 15 Oct 90*

[Report by Josette Olivera from Camp Aguinaldo—live or recorded]

[Text] Defense Secretary Fidel Ramos confirmed today the integration of the Armed Forces of the Philippines [AFP] and the Cordillera People's Liberation Army [CPLA], headed by Father Conrado Balweg, to serve as its Civilian Armed Forces Geographical Unit [CAFGU]. Department of National Defense Spokesman Ed Pangilinan said that Ramos' confirmation followed the report received from AFP chief General Renato de Villa and CRECOM [Cordillera Regional Command] commander Brigadier General Aquias in relation to the CPLA's desire to be in charge of security forces in the Cordillera Autonomous Region.

In his meeting with military and local officials at Bangued, Abra, where the CPLA members' needs were discussed, Ramos said that no other armed force may replace the AFP in any part of the country. However, after the series of consultations it was agreed upon to integrate the CPLA with the AFP as CAFGU members but were prohibited from using the CPLA tag. The said group, formerly headed by former rebel priest Father Balweg, is composed of 150 people.

## Thailand

### U.S. Cigarette Action Deemed 'Innapropriate'

*BK1610152090 Bangkok Domestic Service in Thai 1200 GMT 16 Oct 90*

[Text] According to the Commerce Ministry, regarding the GATT ruling that Thailand lift its ban on imports of foreign cigarettes and that Thailand and the United States continue talks on the issue in detail, negotiations have been scheduled for 16-18 October. The U.S. Trade Representatives' Office, however, on 15 October

decided to moblize public opinion on this issue to find ways to retaliate against Thailand. The office will make a decision by 25 November. The Thai side maintains that the U.S. action is unnecessary and inappropriate because it creates pressure on Thai exporters and will force the Thai delegates at the talks to agree with the United States.

## Cabinet Sets Controls on Tobacco Advertising

*BK1610085090 Bangkok BANGKOK POST in English 16 Oct 90 p 7*

[Text] The Cabinet yesterday approved in principle a bill proposed by the Ministry of Public Health which seeks controls of cigarette sale and advertising. Deputy Public Health Minister Suthat Ngoenmun told reporters the bill would, for the first time, seek punishment against those who sell cigarettes to youngsters under 16 and would ban cigarette advertisements in all media—newspaper, television and radio broadcasts.

The bill would require manufacturers to specify clearly the content of the cigarette and print a warning in Thai language of health hazard posed by cigarette smoking, he said. Violators would be liable to two years imprisonment and a fine of 2,000 baht.

The deputy minister said the anti-smoking campaign would be carried on while the import of foreign cigarettes is permitted. He urged Cabinet ministers who prefer foreign cigarettes to set an example by giving up smoking.

Regarding the import of cigarettes which has been approved by the Cabinet, Mr Suthat said that the Finance Ministry would decide whether the Thailand Tobacco Monopoly or a private concern should be allowed to import cigarettes.

## Paper Comments on Lift of Foreign Cigarette Ban

*BK1110121290*

[Editorial Report] The 11 October issue of the Thai vernacular paper SIAM RAT carries an editorial and an article on the 9 October cabinet decision to lift ban on importation of foreign cigarettes.

The page 11 editorial, entitled: "Cigarettes, Newly Industrialized Country, and Health," says: "The United States pressured Thailand for a long time to open its market to foreign cigarettes, even threatening to use Article 301 of its Trade Act to withdraw Generalized System of Preference [GSP] privileges for Thai exports. The United States also brought the matter to GATT, which eventually ruled that the Thai cigarette import ban amounted to discrimination.

"By opening its market to foreign cigarettes, thus avoiding U.S. trade retaliation, Thailand will be able to maintain its foreign trade growth which is major factor in its the progress toward Newly Industrialized Country status. Meanwhile, however, the Thai people's health is exposed to more risks because new and existing smokers now have more choices of cigarettes to satisfy their habit.

"Therefore, while the government's intention to enact law to protect smokers is welcome, it should come up with other measures to discourage increase in smoking. We feel that although it is good for the country to be wealthy from trade, it is hardly worth it if the health of its population deteriorates."

The page 16 article, entitled: "It Is Okay to Allow Import of Foreign Cigarettes, But...," notes that "the importation of foreign cigarettes is not likely to encourage more people to smoke, but foreign cigarettes will definitely take away some customers of Thai cigarettes. Therefore, the Thai Tobacco Monopoly will be the party to suffer." The article adds that while the United States will not earn that much revenue from cigarette exports to Thailand, President Bush will enjoy greater popularity with U.S. tobacco growers.

The article concludes: "Now that Thailand has opened its market to American cigarettes, it should ask the United States to give greater market access to Thai textiles, canned goods, leather, integrated circuits, toys, tin, natural rubber, and other Thai products. In particular, as the United States has the largest number of cars, the U.S. Government should curtail production of synthetic rubber so that U.S. industries can buy natural rubber and so the world rubber price would not be as depressed by synthetic rubber as it is now."

## Columnist Voices Concern Over U.S. Cigarettes

*BK1310150390 Bangkok BAN MUANG in Thai 13 Oct 90 p 5*

[Column by Tamolo: "Thai Cigarette Industry Cornered; the End of the Tobacco Monopoly"]

[Text] The United States has won a clearcut victory, not in the Persian Gulf where nothing can be done to Iraq, but a victory in the fight to have Thailand open its market to American cigarettes.

Having resisted the pressure for three years, Thailand finally gave in to the United States, a much stronger country who has wrestled GATT to the ground, thus prompting it to rule against Thailand's ban on imports of American cigarettes. Cigarettes manufactured in other countries will also benefit from the move.

GATT is an international organization. It is like a world court and its rulings must be respected. Thailand therefore has no choice but to open the door for American cigarettes. If Thailand ignored GATT's decision, we would no longer be able to trade with other countries.

I do not understand why the U.S. Government is so committed to the American cigarette industry that it is willing to make an all-out effort to pressure its trading partners to open markets to American cigarettes amid worldwide campaigns to discourage cigarette smoking as it is hazardous to human health.

I do not understand why the United States has been trying so hard to obtain the global sale of American cigarettes just to gain a relatively small profit from the trade. I think this is merely utter selfishness on the part of the U.S. Government. The Thai people are bitter and resentful of the United States for applying the pressure to force Thailand to open its market to American cigarettes. Because of its policy of placing its own interests above all else, nobody really likes the American people.

The Thai Government will have to shoulder a bigger burden as a result of this forced opening of Thai markets to American cigarettes. Thailand will have more difficulty controlling cigarette sales and campaigning against cigarette smoking. Thailand will have to increase its budget for treatment of patients suffering from cigarette-related illnesses. The budget already stands at 20 billion baht or about eight percent of the annual budget. And the Thai people really have a taste for foreign cigarettes.

Import duties collected annually will not be enough to pay for the medical treatment of patients with cigarette related illnesses despite the fact that the tax rate is as high as 55 percent. This fate is forced on us by the United States.

The level of nicotine in American cigarettes is higher than that in Thai cigarettes. Will it be possible to reduce the nicotine in American cigarettes to the same level as Thai cigarettes? I think the Americans should comply with the standard here as they insisted upon selling their cigarettes to us.

Now let us talk about our problems. I do not think the liberalization of cigarette imports will solve the problem of smuggling since imported cigarettes will carry a very high tax. The smuggling of cigarettes could, on the contrary, become more rampant as control and suppression of contraband becomes more difficult now. What is more important is that from now on the Tobacco Monopoly under the Finance Ministry will face stiffer competition from foreign cigarette companies, which are more professional.

Until now, smokers have been buying cigarettes manufactured locally by the state-owned monopoly, no matter how good or bad, cheap or costly. It will never be the same again. Thai cigarettes will now have to compete with foreign cigarettes. There must be an improvement in the quality, taste, appearance, and packaging of the cigarettes. If Thailand's Tobacco Monopoly wants to see its products remain on the market, the company will have to upgrade the standard of its cigarettes. Or else it will have to regress and manufacture the traditional palm-leaf cigarettes for distribution.

## Chatchai Leaves for Visits, Acting Chief Speaks

*BK1610014890 Bangkok Domestic Service in Thai 0000 GMT 16 Oct 90*

[Text] Prime Minister General Chatchai Chunhawan and his delegation left at 2359 yesterday for official visits to the United Kingdom and Switzerland to strengthen relationships between Thailand and the two countries. Before departure, Pramuan Saphawasu, deputy prime minister who will be acting prime minister during Chatchai's visits to the two European countries, answered reporters' questions:

[Begin recording] [Pramuan in progress] ...There should be nothing to emphasize, because I will communicate with the prime minister all the time during the visits.

[Reporter] Do you have any worries in acting on his behalf while the present political situation seems confusing?
[Pramuan] There would not be any problem.

[Reporter] Are you worried about the current moves by students or workers?
[Pramuan] No. If there is any problem, we can talk it out.

[Reporter] Do you think you can control the political situation?
[Pramuan] As far as I am concerned, there has not been any serious problem. Should there be any problem, we will try our best to solve it. [end recording]

## Labor Department Chief Warns Workers on Rally

*BK1210105090 Bangkok Domestic Service in Thai 0000 GMT 12 Oct 90*

[Text] Director General of the Labor Department Prasong Rananan commented on the current moves by certain groups of people who tried to persuade workers, students, and people to stage a rally calling on the government to resign, for the reason that it has failed to solve various problems, such as control of consumer's goods prices, adjustment of the minimum daily wage, and enforcement of the Social Security Bill. Such reports have been published in some newspapers. He said the government has had strong intentions to try to quickly solve problems concerning hardships of workers and the people.

Speaking on control of consumer goods prices, the Labor Department chief reported that the government has mapped out measures to control goods prices, and has appointed an ad hoc committee to take direct responsibility. In addition, the Interior Ministry has also set up a task force to solve the problem of the increase in the price of goods in the wake of the oil price hike. It has assigned the Labor Department to coordinate with the Employees Confederation of Thailand and the Labor Congress to sell goods under price control to workers as part of relief measures.

Turning to the adjustment of the worker's minimum daily wage, he said that the issue is being considered by the tripartite wage committee, which has direct authority to make a decision.

On the social security bill, the Social Security Committee adopted a resolution on 4 October this year allowing employers—who have already provided better welfare

for employees than legal compensation fees under the new law—to submit proposals for the reduction of additional pay rates provided by employers for workers employed both before and after the announcement of the implementation of the social security law. The Social Security Office is working on this issue, he said.

The Labor Department director general urged employees of various state enterprises and workers to be careful in joining or supporting any power groups that have persuaded them to carry out illegitimate activities. Should there be any problems or doubts, they can contact the Labor Department, he concluded.

## Premier Names Deputies To Head Committees

*BK1610095590 Bangkok BANGKOK POST in English 16 Oct 90 p 8*

[Text] The Cabinet yesterday acknowledged a Prime Ministerial order appointing deputy prime ministers to head various committees as follows:

—Deputy Prime Minister Pramuan Saphawasu is chairman of the National State Enterprises Committee.
—Deputy Thongyot Chittawira is chairman of the International Economic Relations Policy Committee, Export Development Committee, Ad Hoc Committee for Solving Construction Problems and Committee on Rice Storage and Export.
—Deputy Prime Minister Sanan Khachonprasat is chairman of the National Environment Board, Atomic Energy for Peace Committee, National Education Committee, National Energy Committee, King Mongkut Scientific Park Project in Prachuap Khiri Khan Province and Rubber Policy Committee. Maj-Gen [Major-General] Sanan is also deputy chairman of the Committee on the Elimination of Waste Water in Bangkok and outlying areas.
—Deputy Prime Minister Mana Rattanakoset is to act as chairman of the national Committee for the Coordination and Promotion of Youth and deputy chairman of the National Safety Committee.
—Deputy Prime Minister Athit Kamlang-ek is chairman of the Narcotics Control Board, and the Committee on National Security concerning Hilltribes People and Narcotic Plants.
—PM's [Prime Minister's] Office Minister Prasong Bunphong is chairman of the Board of the Sports Authority of Thailand, State Computer Committee and Committee on Collation of Information for Administration.

## Cabinet Approves Moves on Press Laws, Council

*BK1610091090 Bangkok BANGKOK POST in English 16 Oct 90 p 1*

[Text] The Cabinet yesterday approved in principle a draft executive decree to repeal Decree 42 and withdraw a new Press Bill seeking amendments to the Printing Act and a bill on the establishment of a press council, which are now being scrutinised by Parliament. The new Press Bill has been heavily criticised by members of the Press who say its content is even more dictatorial than the national Administrative Reform Council's Decree No. 42.

Prime Minister Chatchai Chunhawan said he decided to issue an executive decree to abolish Decree 42 because this had been demanded by the Press. As for the new Press Bill and the bill on the press council, the Government was ready to withdraw them, but could not do so at this time as Parliament is in recess, he said. But Gen [General] Chatchai said the two bills would eventually be withdrawn and scrapped. This would leave only the Printing Act of 1941 and the Criminal Code to control the Press, he said.

The draft executive decree to abolish Decree 42 will be forwarded to His Majesty the King for approval before going into effect.

Education Minister Thianchai Sirisamphan said he believed the Government's image would improve after Decree No. 42 is gone. The public would be protected under the Criminal Code if offended by the Press, he said.

Deputy Public Health Minister Suthat Ngoenmun said no Cabinet members raised objections when the Prime Minister proposed that the decree be abolished.

## Interior Ministry To 'Observe' Press Behavior

*BK1510131290 Bangkok BANGKOK POST in English 15 Oct 90 p 1*

[Text] The Interior Ministry will observe how the Press behaves during the temporary period when Decree 42 is revoked by an Executive Act before it decides to scuttle the new press bill which is pending in Parliament.

In anticipation of the promulgation of an executive act to do away with the old press decree, the ministry would take into consideration "whether the Press abuse their freedom or do anything that jeopardises national security or public morale," according to an informed ministry source yesterday. If the Press behaves well until the opening of Parliament in May, said the source, the ministry may amend all the restrictive provisions of the Press bill which is pending in Parliament or even scrap the bill altogether. It is not possible to withdrawing [as published] the bill from Parliament now, because it is pending parliamentary deliberation, said the source.

Despite the Government's desire to push the executive act through the Cabinet tomorrow, senior interior officials say it would be unconstitutional to issue the act to revoke Decree 42.

## Editorial Calls for Broadcast Media Deregulation

*BK1410095590 Bangkok THE NATION in English 14 Oct 90 p B3*

[Editorial: "Deregulating the Media"]

[Text] Government politicians—including the prime minister himself—have an irresponsible habit of blaming the press for all of their political problems.

It is blatantly absurd for anyone to claim that the press is behind the recent feud between PM's [Prime Minister's] Office Minister Chaloem Yubamrung and Interior Minister Banhan Sinlapa-acha, or the conflict between the Chat Thai and Social Action parties over the 150-billion-baht telephone project.

To charge that newspapers "manufactured political crises" in the Chat Thai Party, as did some PM's policy advisers, is no less ridiculous than to say that the press deliberately overlooks the "substance" of the Chatchai administration by only dwelling on negative reports. When was the last time the prime minister sat down for a substantive press conference on national issues?

Last Tuesday some Chat Thai MPs pointed out that the party lacks its own media to help improve the party's public image or to counter mudslinging by political rivals who have access to—or control of—newspapers or TV and radio stations.

The party handpicked Suwit Yotmani to serve as Government House spokesman, and one of its members, Prathuang Wichanpricha, serves as Suwit's deputy. But the Chat Thai MPs feel this is not enough. They are right: Suwit's team is supposed to speak for the entire Chatchai administration, not just the prime minister or his party. Suwit's team includes members of the four other major government coalition parties.

The Social Action Party [SAP], of course, generally has the support of Siam Rat. The newspaper's owner and founder, M.R. Khukrit Pramot, is also SAP leader and openly defends himself and his party in his widely read "Soi Suanphlu" column. Last month Khukrit reportedly demanded and received the resignation of the newspaper's editor Chattawa Klinsunthon for an oversight when an advertisement for a recording of a political speech by ex-army chief Gen [General] Chawalit Yongchaiyut was published on the same page as the "Soi Suanphlu" column. This action showed that Khukrit is serious about protecting his party from criticism, especially Chawalit's ridicule.

The Democrat Party's PM's Office Minister, Suphatra Matsadit, controls the Public Relations Department [PRD]. The PRD owns and operates TV Channel 11, a network of radio stations around the country, and appoints its officials to serve as the public relations chief in every provincial administration outside Bangkok.

The PRD runs Radio Thailand which produces daily news programmes which must be broadcast by all radio stations in the country, except those broadcast in English. Radio Thailand's daily news has a huge "captive audience" in the provinces where the programmes are broadcast in major marketplaces and government offices. Meanwhile, Deputy Prime Minister Sanan Khachonprasat, Democrat secretary general, is chairman of the Broadcasting Control Commission which is empowered to censor all media programmes and advertising.

The Muanchon Party of PM's Office Minister Chaloem Yubamrung is famous—or infamous—for its domination of the Mass Communications Organization of Thailand [MCOT]. Muanchon secretary general Rachan Husen is now MCOT director. The MCOT owns TV channels 3 and 9, a radio network, and runs the Thai News Agency.

Chaloem has openly insisted that there is nothing wrong with turning MCOT news operations into a mouthpiece for the Chatchai administration. They openly sided with Chaloem during his noisy feud with Banhan last month. Chaloem also used MCOT operations to respond to his critics in the press.

Since opposition MPs are not given much air time on government media, they try to cultivate friendship and solicit sympathy from newspapers. Samak Suntharawet, leader of the Prachakon Thai Party, has a full-page column in the Daily Mirror (a small Thai-language daily), which he reportedly owns.

During the recent uproar against the anti-press freedom Decree 42 and the short-lived newspaper boycott of Banhan, the interior minister openly said he wasn't afraid of the boycott because he has his own newspaper, Ban Muang, to air his views. Ban Muang was noticeably critical of the prime minister during the recent power struggle inside the Chat Thai Party—and still is if one reads between the lines.

All the military branches and the police have their own radio stations. But only the Army owns TV stations, channels 5 and 7, much to the envy of others. Channels 5 and 7 sometimes show programmes produced by the military and are not afraid to cover issues and personalities, such as corruption and Chawalit, that are deemed too sensitive or controversial to appear on MCOT programmes.

Since the prime minister has a sudden change of heart this week and said he would like to see Decree 42 abolished as soon as possible, he should take another giant step and deregulate the broadcast media. Let all private businesses and political parties set up radio and TV stations to compete with existing ones. Make the broadcast media fully competitive like the print media. With its own TV or radio station, the Chat Thai Party could tell its own side of the story and counter all the "rumours" about rifts and factionalism inside it. Then newspapers would no longer be at the receiving end of government politicians' blame.

With deregulation we shall see who stands for truth and who stands for deceit. When there is open competition and full freedom in all the media, the truth will inevitably prevail.

## Differences on Problem of Oil Prices Reported

*BK1610024490 Bangkok THE NATION in English 16 Oct 90 pp A1, A2*

[Text] As Premier Chatchai Chunhawan left for Britain, leaving unresolved the question of the Oil Fund's massive deficit, his finance minister, Dr Wiraphong Ramangkun yesterday evening said that local oil prices should be floated to reflect soaring world prices for crude oil.

In an emerging rift on ways to stop the Oil Fund from plunging deeper into debt, Wiraphong dug in his heels against a proposal to reduce excise taxes on oil and the use of the government's reserves of about Baht 100 billion to subsidize the Oil Fund. The price of crude, now approaching $40 a barrel, is causing a daily outflow of about Baht 60 million from the Fund, which is now approaching a Baht 1 billion deficit.

It was the first time that Wiraphong, a non-politician and academic picked by Prime Minister Chatchai for the finance portfolio, openly contradicted a statement by the prime minister, who reiterated yesterday that the government would continue to hold local oil prices down as long as possible.

Wiraphong said that the Finance Ministry had lost about Baht 20 billion in revenue as a result of a previous reduction in the excise tax on oil products some 14 months ago. Wiraphong said retail oil prices should be floated to reflect crude prices on the world market. "We have no idea whether crude prices will continue to soar or not. And I don't think it's a good idea for us to adjust local prices every time the crude price goes up," he said.

The minister also stood firm against a proposal for the government to seek overdraft loans from the state-owned Krung Thai Bank to subsidize the Oil Fund, arguing that the money would be better spent for the public interest, and not only for the benefit of oil users. It would also be unfair to tax payers if the Finance Ministry takes up a proposal to curb various tax rates to reduce the cost of production in industries, as well as hurting the Finance Ministry's coffers, he said. He said the ministry had already taken steps in that direction by slashing import duties on machinery and the export tax on agricultural crops.

Sophon Suphaphong, managing director of Petroleum Bangchak [PTT], a state firm running the Bangchak Oil Refinery, took the same stand as Wiraphong. The PTT-Bangchak chief executive argued yesterday that frozen oil and gas prices would only benefit the rich. "The rich use more oil products than the poor and feel the pinch more directly from a price increase. The government instead should cushion the inflationary effects of a oil price rise on the poor by controlling consumer goods' prices," he said. Sophon said that if the government opted for curbing the excise tax on oil, it would lose revenues to be spent on national development projects for the poor.

Before his departure for Britain, Chatchai said a past government had injected billions of baht into the Oil Fund and therefore his administration should be able to do the same to avoid increasing domestic prices. "We have just raised oil prices (on Sept 21). How can we do it again,?" he said. "The government will try its best to freeze the present prices and avoid causing hardships to the public," he told reporters. The premier said that the government had not as yet considered which measures to take to make retention of the present oil prices possible.

PM's Office Minister Kon Thappharangsi, who chairs the Petroleum Policy Sub-committee, said yesterday the government would consider measures to retain present prices after the premier returns from his European trip on Oct 23. Kon echoed the premier's opinion, saying that there were ways to stop the Oil Fund from plunging deeper into debt while retaining present local prices.

The Gulf Crisis, which broke out in early August, has jacked up crude prices from $18 a barrel to about $37-40 a barrel now. The government first raised domestic oil prices by a small margin of 30 stang (Bt0.30) a litre on Sept 12 and later sharply increased prices on Sept 21. But present local prices are still based on a crude price of $30 a barrel.

Chatchai also ruled out the possibility of the Electricity Generating Authority of Thailand (EGAT) increasing its electricity charges in the near future despite complaints from the state enterprise that its oil bills had substantially risen. "EGAT has made a lot of profits and in business, sometimes you gain and sometimes you lose. It's now time for EGAT to help the people," he said. Chatchai said the government had not considered a request from EGAT for the Petroleum Authority of Thailand to maintain the old prices of bunker oil and liquified petroleum gas it is selling to EGAT.

The two oil price hikes reportedly increased EGAT's oil bill by about Bt2.5-3 billion annually.

## Committee Approves Esso Refinery Expansion Plan

*BK1410103190 Bangkok Domestic Service in English 0000 GMT 14 Oct 90*

[Text] The Subcommittee on Petroleum Policy has allowed Esso, Thailand, to increase its fuel production capacity by 125,000 barrels per day. Speaking to reporters after a meeting of the subcommittee on Friday, Minister to the Prime Minister's Office Kon Thapparangsi said the decision by the subcommittee will boost the company's 60,000 barrel-a-day production capacity to 185,000 barrels a day. Mr. Kon said Esso, Thailand, had agreed to pay the government 350 million baht for the returns. Moreover, the government will also hold shares in the company's expansion project, enabling it to gain more benefits.

The minister said the meeting of the subcommittee also approved a proposal by the Thai petrochemical industry

group to set up a lubricating oil refinery. The government will receive a fee of 47 million from the project. However, no special privileges will be offered to the investor as the government has already reduced the import tax on machinery which will benefit the overall industry.

## Chatchai Announces Antiprofiteering Measures

*BK1310021690 Bangkok BANGKOK POST in English 13 Oct 90 p 15*

[Text] Prime Minister Chatchai Chunhawan yesterday unveiled a seven-point policy t police, suppress and prevent hoarding of goods and profiteering by merchants following the increase in local oil prices.

—The suppression of hoarding and profiteering will be carried out nationwide, with teams sent to inspect price labels on goods and the standard of measuring devices. These inspections will be launched without warning.

—Tough action will be taken against traders found guilty. The suppression and prevention also cover service charges such as transportation fares.

—The police will respond immediately to complaints from the public as if they are direct instructions from the Premier.

—Suppression will focus on middlemen because if they did not raise prices, retail prices would not be increased.

—In case any "influential" people [are] found involved in hoarding and profiteering, the police will report this directly to Deputy Prime Minister Athit Kamlang-ek or the Premier.

—The police will cooperate with the Government's public-relations team to publicise the suppression.

—The suppression will be conducted consistently.

## Government Economic Performance, Growth Noted

*BK1310061490 Bangkok Domestic Service in English 0000 GMT 13 Oct 90*

[Text] A report on the government's performance during the past two years shows Thailand's economy continues to grow at a high rate due to the expansion of the country's exports. The report compiled by the Office of the Government Spokesmen says Thailand's economic growth rate is expected to be 10 percent for this year, compared to 12.2 percent last year. Thailand's economic growth rate reached a record high of 13.2 percent in 1988. The country's export volume has also expanded at high rate from almost 400 billion baht in 1988 to more than 500 billion baht last year.

According to a survey conducted by the National Statistical Office, Thailand's unemployment rate has been dropped from 6.7 percent in 1987 to five percent in 1988, and 4.6 percent last year. During the first half of this year, the country experienced a shortage of engineers, technicians, and skilled workers. However, the government is accelerating the production of more personnel in this field to cope with the increasing demand.

The report also says two previous adjustments to salary scales for civil servants and state enterprise employees during the past year have resulted in increases in per capita income from 27,650 baht in 1988 to 32,145 baht last year. The average per capita income in the country is likely to reach 37,000 baht this year.

## Cabinet Approves Telecommunications Project

*BK1010055790 Bangkok BANGKOK POST in English 10 Oct 90 p 17*

[Text] Cabinet yesterday approved the granting of the controversial 150,000-million-baht telephone project to the CP Group [C.P. Telecom Co.]-British Telecom consortium. Prime Minister Chatchai Chunhawan said after the meeting the decision paved the way for private investors to invest in and operate projects of this sort for the first time.

Transport and Communications Minister Montri Phongphanit, who has fought hard for the granting of the project to the consortium, said the decision would mean better telecommunications services throughout the country. Mr Montri said the Government would ensure the consortium could not adjust its rates at will during the concession term. "The public will pay what they are paying now," he said. "But if there must be an increase, it will need the approval of the TOT (Telephone Organisation) and Cabinet." He said Cabinet saw no problem in the TOT revenue-sharing scheme giving the organisation 16 percent of the revenue earned in Bangkok and 22 percent of that in the provinces.

The project calls for the installation of two million telephone lines in Bangkok and one million in the provinces.

"It was not true that the TOT union opposed the private investment plan. The organisation's largest labour union supported the project," he said. Mr Montri said that, following the public debate between government ministers over the granting of this contract, Cabinet yesterday instructed the Finance Ministry and Public Prosecution Department to draft guidelines for future use by state enterprises when granting contracts.

Gen Chatchai was reported to have ordered the Public Prosecution Department to take particular care in drafting agreements with private firms so the Government and public were not placed at a disadvantage. "If all goes as planned, the organisation should be able to submit its draft agreement with the CP-Telecom consortium for Public Prosecution Department approval within two months," said Mr Montri.

Deputy Interior Minister Sano Thianthong, the main opponent to Mr Montri's plans to push the matter through Cabinet, said yesterday he was satisfied with the clarifications on the project from the Transport and Communications Ministry and TOT. "The National Economic and Social Development Board and other agencies such as the Finance Ministry have approved the plan," he said.

"I never opposed the project. I merely wanted the organisation concerned to explain it in more detail."

### Government Likely To Sell Rice to USSR

*BK1410092490 Bangkok Domestic Service in English 0000 GMT 14 Oct 90*

[Text] The Ministry of Commerce is holding negotiations with the Soviet Union to sell 200,000 tons of Thai rice on a government-to-government basis. The rice sell negotiations were reported to a meeting of the National Rice Policy and Measures Committee chaired by Deputy Prime Minister Thongyot Chittawira. The meeting was told that the ministry expects to deliver the rice to the Soviet Union later next month, or in January next year.

During the meeting, the committee approved a proposal for the Bank for Agriculture and Agricultural Cooperatives to extend the paddy mortgage loan repayment period until the end of this month for farmers in all regions of the country except those in the south. The period will be specially extended until 10 November for southern farmers.

Deputy Government Spokesman Chanchai Chairungruang said the government had implemented several measures to help farmers, for instance it has reduced prices of fertilizers, insecticide, and agricultural machinery while scrapping collection of export duties for all kinds of farm products.

### More Security for Teachers After Terrorist Acts

*BK1110050290 Bangkok BANGKOK POST in English 11 Oct 90 p 7*

[Text] Yala—Security will be stepped up for teachers in isolated areas following a clash on Monday between government and bandit forces in which two policemen were killed and one injured.

The decision to step up security for the teachers was adopted during a two-hour meeting yesterday between representatives of teachers in Yaha District and officials led by District Officer Kopkit Suwanchot and Pol Lt-Col [Police Lieutenant-Colonel] Puang Sonkaeo, chief of the 43rd Border Patrol Police [BPP] Task Force.

Under the security arrangements worked out at the meeting, a unit of four or five BPP men will be despatched to provide round-the-clock security for teachers in each of the schools in areas vulnerable to attack or harassment by southern bandits. Police patrols of the routes frequented by most teachers are also to be escalated.

The teachers appeared to be satisfied with the new security arrangements and agreed to resume classes today in eight schools in Yaha District following a boycott since Monday.

## Vietnam

### Officer Defects, Handed Over to Thailand

*BK1510115490 Hong Kong AFP in English 1137 GMT 15 Oct 90*

[Text] Bangkok, Oct 15 (AFP)—A Vietnamese officer who defected in Cambodia in a bid to resettle in the United States has been handed over to Thai authorities, Cambodian resistance officials said here Monday.

The officer, identified as Captain Nguyen Thanh Minh, surrendered in May in northern Cambodia to guerrillas belonging to Prince Norodom Sihanouk's faction, according to a release issued by the faction.

Hanoi announced in September 1989 a total withdrawal of its troops after a 10-year deployment in Cambodia, but the tripartite resistance coalition has repeatedly disputed the pullout, claiming that tens of thousands of Vietnamese soldiers remained in the war-torn country. Capt. Minh was quoted in the guerrilla release as putting that figure at 50,000 and identifying the commander of Hanoi's forces in Cambodia as Major General Nguyen Van Chung.

Guerrilla officials said the officer, who defected in the Siem Reap area, located near the famed ancient Angkor temple complex, had since been handed over to Thai authorities and presumably sent to a refugee camp. The officer is quoted in the release as saying he had defected because he "would like to go abroad, especially to the United States."

### Daily on 'Positive Moves' in U.S. Relations

*BK1610093190 Hanoi VNA in English 0800 GMT 16 Oct 90*

[Text] Hanoi VNA October 16—"The Vietnamese-American relations are making new positive moves," says the national daily NHAN DAN in an article today.

The paper continues:

"Over the past more than two months, there have been four formal meetings in New York, from ambassadorial to deputy foreign ministerial and then foreign ministerial levels. The meeting between Foreign Minister Nguyen Co Thach and Secretary of State James Baker is the highest level in the 15 years since the end of the Vietnam War. Foreign Minister Nguyen Co Thach also plans to meet in Washington with General John Vessey, special envoy of the U.S. President. The Foreign Relations Committee of the U.S. Senate, many U.S. businessmen and newspapers have invited Foreign Minister Nguyen Co Thach for talks and exchanges of views.

"At those meetings, on the common platform of respecting the [words indistinct] determination, the two sides exchanged views on an overall political solution to the Cambodia issue, on bilateral relations and other questions of common concern. These exchanges of views have been described by both sides as useful in the sense that they helped increase mutual understanding and laid the groundwork for the normalization process.

"The Vietnamese-American relations have experienced an unhappy past. In 1975, after Vietnam was completely liberated and regained independence and national reunification, Washington ordered an embargo, causing countless difficulties to the Vietnamese people in reconstruction work. Recently, Washington decided to prolong its embargo policy against Vietnam. This obviously runs counter to common sense and realities of life. Yet, in conformity with its humanitarian policy and in the interests of both peoples who urge separation of the humanitarian from political issues, Vietnam has taken suitable steps in favour of Vietnamese-American relations. Vietnam has positively cooperated with the U.S. [words indistinct] information about Americans reported missing, handed over to the U.S. side remains of U.S servicemen who died in the war, settled issues relating to Amerasian children, to the Orderly Departure Programme and to the Vietnamese kept in reeducation camps. U.S. diplomats, scientists and military men are allowed to travel throughout Vietnam to further the above-mentioned programmes."

The paper goes on:

"The Cambodia issue, the most outstanding one, has cropped up time and again in the Vietnam-U.S. relations. Now, all Vietnamese army volunteers have withdrawn from Cambodia, and we are cooperating with the United States and other countries concerned in the search for an early fair political solution to the Cambodian conflict and eventually to an international agreement on Cambodia hopefully to be signed late this year in Paris. Meanwhile, the economic and political reforms together with the strengthening of socialist democracy in Vietnam have gained initial but important achievements over the past three years. These factors, no doubt, have influenced the political [words indistinct].

"Many American business teams have come to inquire into possibilities of investment, especially in the field of oil and gas in a region which can be expected to be stable in the coming years. American businessmen have more and more strongly urged the American government to end the trade embargo and normalize relations with Vietnam. Last February, the U.S.-Vietnam Trade Council was set up in New York. Many nongovernmental organizations already have set up representative offices in Vietnam. Some humanitarian issues of Vietnam's concern such as orphans, prosthetics for the handicapped, medicines and food for war-ravaged areas, etc., have received initial assistance from different organizations in America. The first delegation of the U.S. Congress led by Senator Richard Lugar, member of the U.S. Senate Foreign Affairs Committee recently visited Vietnam following the U.S. policy shift regarding Cambodia. The two sides discussed the exchange of students, scholars and scientists, and organized seminars on matters of mutual concern. Visits to the country by Vietnamese residing in the U.S. have become normal.

"It can be said that the pretexts used in the past to obstruct the Vietnam-U.S. relations were false or have become obsolete. Realities show that the normalization of the Vietnam-U.S. relations benefits both countries and conforms to the present world trend of development."

## Canadian Official on Diplomatic, Economic Ties

*BK1110051790 Bangkok THE NATION in English 11 Oct 90 p 4*

[By Kunlachada Chiphiphat]

[Text] Canada is moving to establish an embassy in Hanoi after nearly 30 years of irregular diplomatic contacts with Vietnam, a senior official at the Canadian Embassy in Bangkok said.

It will be Canada's first diplomatic site in Hanoi after Canada established ties with the government of South Vietnam in 1960. At present the Canadian ambassador to Thailand, Lawrence Smith, is also accredited to Vietnam.

The official, who requested anonymity, declined to say when the decision was made or when the embassy would be established. But he confirmed the ambassador visited Hanoi in early September and discussed arrangements with Vietnamese leaders, including Premier Do Muoi and [Foreign Minister] Nguyen Co Thach.

During the ambassador's visit, he also talked with Vietnamese officials about bilateral issues and the Cambodian conflict. "The Canadian government is actively considering a physical presence there because of our increasing contacts and activities in Vietnam," the official said. But he added the Hanoi embassy would not be a full-scale diplomatic mission because of budget constraints and limited number of personnel available to staff it.

Limited funds and the relatively small size of the Canadian foreign service were also reasons the official cited for Canada not previously establishing an embassy in the communist country despite a long period of diplomatic ties.

He denied his country was competing against other countries, including the United States, Japan and European nations, to earn favourable conditions for easy access to Vietnam's cash-strapped economy. But it is generally believed that despite maintaining ties with Vietnam, Canada fears that not having a diplomatic mission there would put it at a trade and economic disadvantage with other countries. These nations, some either without diplomatic links with Vietnam or in the process of restoring them, have already sown the seeds of economic cooperation.

The official contended Canada has an edge over the United States given its continuous links—diplomatically and economically—with Vietnam while America has yet to normalize relations. For example, Canada participated in international efforts to implement the peace agreement after the Vietnam War. It was a member of the International Control Commission (ICC) and later the International Commission on Control and Supervision (ICCS), which was established under the Paris Accord in 1973.

On the economic front, two-way trade between the two countries was estimated at $50 million last year with Vietnam, which mainly exports shrimp and prawns, enjoying the surplus. Canada's primary exports to Vietnam are oil and petroleum. The two countries in May also signed two joint oil and gas exploration contracts worth $25 million each. Canada also looks forward to investing in telecommunications, transportation and other infrastructure projects in Vietnam.

In other areas, Canada is a major destination for Indochinese refugees for resettlement and its project, the Family Reunification Programme, which was started in 1980, is similar to the US's Orderly Departure Programme.

A senior Vietnamese Embassy official in Bangkok would not confirm the report on Canada's plans but said the establishment of a Canadian embassy in Vietnam was very "logical" given the two countries' long-standing ties and increasing contacts. Canada's move also follows the US shift in its policy toward Vietnam and Cambodia. As a step toward normalizing ties with Vietnam and revoking economic sanctions, the United States announced in July that it would hold direct talks with Hanoi as part of the effort to bring peace to Cambodia.

After Vietnam invaded Cambodia in 1978, the international community imposed economic sanctions on Vietnam. Some countries maintained ties with Vietnam but on a low-profile basis.

The Canadian official denied that Canada was adjusting its policy to be in line with the United States. "The Canadian official denied that Canada was adjusting its policy to be in line with the United States. The Canadian case is out of the context of the US decision since Canada and Vietnam are maintaining and strengthening their relations," he said. "Instead Canada and countries in Europe are moving quickly ahead of the US, which would be the last to lift the embargo," he said.

## Countries See Need To Strengthen Cooperation

*BK1510132690 Hanoi International Service in English 1000 GMT 15 Oct 90*

[Text] Vietnam and Germany underscored the need to strengthen bilateral cooperation in many fields including exchange experience in economic management and transfer of technology.

That view was expressed at the opening session of the Vietnam-FRG workshop on management of medium and small size enterprises held in Hanoi.

During the five day workshop starting on Monday, Vietnamese businessmen and West German specialists were shared experience of business, marketing and measures to guarantee products of high quality and low prices. [sentence as received]

## Business Licenses Granted to Foreign Investors

*BK1310104090 Hanoi Domestic Service in Vietnamese 1430 GMT 12 Oct 90*

[Text] Since the promulgation of the foreign investment law, the state has issued 24 licenses to foreign investors in the Vung Tau-Con Dao Special Zone. Some of the projects are being implemented effectively. The remaining projects are still pending the stage of building material bases for operation.

These projects have absorbed 1,600 local workers. The Special Zone is trying to expand its foreign economic relations, so priority is given to inviting foreign investment in its programs for export-import; building large sea ports, wharves, and dump areas; processing maritime and agricultural products; and developing tourism and commercial services.

In the past eight months, some 280 delegations of nearly 700 foreigners have entered Vietnam to seek investment in Vung Tau-Con Dao, an increase of one and a half times as many as in 1989. Vietnam is also considering issuing licenses to some other foreign investment projects for Vung Tau-Con Dao Special Zone.

## Meeting Reviews 'Urgent' Socioeconomic Issues

*BK1410155690 Hanoi Domestic Service in Vietnamese 0500 GMT 14 Oct 90*

[Text] On 11-13 October, the Hanoi people's council met to discuss solutions to urgent socioeconomic and cultural issues in accordance with the conclusions reached by the Communist Party of Vietnam [CPV] Central Committee ninth plenum. Party General Secretary Nguyen Van Linh attended and addressed the conference.

The conference reviewed economic achievements scored during the past nine months, discussed newly emerging issues, and exchanged ideas on the situation in the days ahead. The conference Hanoi to continue to effectively rearrange production and business, quickly sell goods in stock worth about 20 billion dong, and provide more capital for production establishments to produce more of the goods in great demand. The capital should also improve the organization of or dissolve enterprises that still operated at a loss within the fourth quarter this year or the first quarter of next year at the latest. It is estimated that about 20 enterprises will be subjected to this action.

The conference also urged that the capital city should find more markets for its products and sign more contracts to export goods in 1991, while striving to import materials and raw materials for production and providing more facilities to foreign-invested projects. Regarding agricultural production, the capital should strengthen guidance over the winter crops and promptly supply fertilizer to peasants. Concerning budget, the capital should strive to increase revenue collection, oppose tax evasion, and reduce administrative expenses. To improve the people's credit funds, the capital should collect debts at state-run and collective establishments, seriously deal with bad debtors, and investigate sources of income of those who amassed wealth in a short period.

The capital should strive to curb embezzlement and corruption, giving close attention to monitoring work of the banking sector, tax offices, land and house management agencies, joint business ventures, and material management and import-export corporations.

Addressing the conference, Comrade Nguyen Van Linh hailed members of the Hanoi People's Council for convening the meeting to discuss urgent issues on the socioeconomic and cultural situation of the capital. After analyzing the national socioeconomic situation and reviewing initial achievements in implementing resolutions of the Sixth CPV Congress and the party Central Committee plenums, the General Secretary reminded these members of the key revolutionary tasks of the capital in the days ahead, especially in 1991—a pivotal year for the Vietnamese people's revolutionary cause. The General Secretary expressed the hope that cadres and people of Hanoi will strive to surge forward to overcome immediate difficulties and effectively implement the current renovation cause so as to make Hanoi a worthy capital of the Vietnamese nation.

## Nguyen Thanh Binh Addresses Party Conference

*BK1310135790 Hanoi Domestic Service in Vietnamese 1100 GMT 8 Oct 90*

[Report by Le Huyen Thong in 8 October NHAN DAN on the party Central Committee Secretariat-sponsored conference of the bloc of organs subordinate to the party Central Committee]

[Text] On behalf of the Secretariat, Comrade Nguyen Thanh Binh began the conference by evaluating the achievements, though still limited, of various ministries, sectors, and mass organizations at the central level in consolidating and purifying the party ranks.

After Comrade Nguyen Manh Cang, deputy head of the party Central Committee's Organizational Department, had reported on the experience obtained in party consolidation in a number of provinces, Comrade Nguyen Thanh Binh raised three questions for the participating delegates to discuss and compare with the real situation in their respective sectors. These questions were:

1. There has been a not insignificant number of negative cases involving party members at various central-level organs, especially at economic and state management units. A number of cases, some serious, have been reported by the press and the radio but efforts to examine and deal with these cases are still slow. Why?

2. In a number of state management study organs and those organs belonging to the bloc of internal affairs organs subordinate to the party Central Committee, party cadres and members are required to have a high sense of responsibility and to be competent and wise enough to help their unit leaders work out national systems, policies, and managerial procedures. On the other hand, a number of mechanisms and policies, though outdated or evidently irrational, are not promptly corrected and revised. Why has this procrastination taken place?

3. A number of units, though belonging to various ministries and central-level sectors, are placed under the party-related management of various localities. Therefore, difficulties and prolonged procrastination have been reported by these localities in solving many negative cases. Is this situation caused by the unclear delineation of duties among the leaders of various ministries and localities or are there any other causes? Why have the phenomena of shunning duties and providing umbrella protection for one another continued to exist?

The comrade secretaries and representatives of the party committees of the economic and agricultural blocs, the railroad transportion party organization, the ideological and cultural blocs, the science and training bloc, and the internal affairs bloc subordinate to the party Central Committee reported on the initial results of efforts to consolidate the party at various party organizations of those organs subordinate to the party Central Committee. In general, a number of party cadres and members at various organs subordinate to the party Central Committee, especially economic and state management units, have also committed various serious mistakes such as political swerving, opportunism, or using loopholes within the management mechanism to commit various forms of corruption and bribe-taking, as well as to misappropriate state property. A number of authoritative organs with daily contacts with the people continue to maintain many cumbersome, even illegal procedures that greatly inconvenience the people. This has compelled many to ask for favors by giving tea money to cadres whenever they have any business to do with these organs.

Many participating comrades held that since the functions of some central-level organs are related to various sectors and localities, efforts to investigate, arrive at a conclusion, and deal with such cases are very complicated, time-consuming, and ineffective.

A number of comrades representing the party committees of various central-level organs pointed out certain prominent negative cases involving financial, banking,

tourism, calisthenics, sports, trade, and railroad transport sectors and others which have yet to be completely settled. This is chiefly due to a failure to achieve close cooperation between the heads of various ministries and party committees of central-level organs on the one hand and the local party committee echelons on the other. Many cases of shunning duties and providing umbrella protection for law offenders under various forms have been exposed. Disciplinary actions have not been carried out in a stern and fair fashion as a situation has persisted where minor officials are dealt with in a heavy-handed manner while those higher up are given preferential treatment, thus creating conditions where the masses do not boldly struggle to criticize and denounce the negative actions of cadres, especially those holding high positions and power.

Some participating delegates recalled a number of negative cases involving high-level leading cadres. These cases have not been dealt with promptly and sternly, thus causing distrust among the people. Following are the cases in point:

—Comrade Than Trung Hieu, deputy minister of agriculture, committed a serious mistake in granting permits for timber export, causing the loss of tens of billions of dong. Nevertheless, the leadership of the ministry concerned proposed giving him a reprimand or warning as a disciplinary measure. There were four votes favoring a reprimand and one for a warning.

—Comrade Chu Tam Thuc, first deputy minister of finance, and his entourage of cadres holding positions ranging from deputy head to head of department, went on a trip to Long An Province to discuss budget allocations. While there, they were presented with gifts worth tens of millions of dong. Comrade Chu Tam Thuc alone received as gift a video recorder worth more than four million dong. This negative act resulted in many bad consequences and aroused indignation among cadres and the people. Yet, the leadership of the ministry concerned held that nothing should be done in this case except to carry out a study in order to learn from the experience.

Those attending the conference pointed out that antinegativism efforts will produce no results if only criticism and self-criticism measures are taken. The point is that high-echelon leaders must adopt a determined and impartial attitude to assure that party discipline and state law are strictly and fairly applied to all people regardless of who they are.

Comrade Nguyen Khanh, vice chairman of the Council of Ministers, pointed out that the struggle against negativism, especially against corruption and smuggling, can only be successful with a close and determined party leadership. It is urgently required that there be close cooperation between the party committees of various departments of the party Central Committee on one side and the heads of various state organs on the other in the process of supervising, inspecting, conducting conclusive investigations, and dealing with negative acts committed by officials, especially those cadres responsible for serious mistakes.

After hearing the briefings presented by various delegates, Comrade Nguyen Duc Tam, member of the Political Bureau and secretary of the party Central Committee, further analyzed and clarified the process of party consolidation, saying that this is precisely aimed at creating conditions for improving the management efficiency of the state apparatus and that linking party purification with the anticorruption struggle is an objective demand and is interrelated and interactive. This process must also be linked with efforts to renovate the outdated management mechanism and to put an end to the situation where a number of people are taking advantage of the loopholes within the mechanism to illegally enrich themselves. However, purifying the party will not end at the task of eliminating corruption but will also require us to review matters concerning ideological concepts, political stands, and relations between the party and the people.

Comrade Nguyen Thanh Binh concluded the conference by emphasizing that as for the party organizations of those organs subordinate to the party Central Committee, they are required to purify their ranks, and especially to purify themselves in terms of ideological concepts. They must have a firm political stance and must be determined to defend party lines. Those party members who are leading managerial cadres but who appear to be politically unsteady and who speak, write, and work at variance with party resolutions should not be kept at responsible positions or at ideological and cultural jobs even though their mistakes are not so serious to the point of requiring mandatory removal from the party.

The comrade urged the party committee of the bloc of organs subordinate to the party Central Committee to overcome the state of unclear delineation of the party's leadership functions and the state's management functions, for this has led to a prevailing situation in which party organs do the work of the state, thus duplicating to some extent the work of the specialized institution. This, in fact, amounts to diminishing the party's leadership role.

## Official Chairs Constitution Amendment Session

*BK1310142090 Hanoi Domestic Service in Vietnamese 1430 GMT 12 Oct 90*

[Text] On 9 and 10 October in Hanoi, the Commission for the Amendment of the Constitution held a plenary session under the chairmanship of Vo Chi Cong, chairman of the Council of State and head of the commission.

The commission heard a report on and discussed the first draft amendments to the preamble and some chapters of the constitution. These amendments were compliled by the commission's editorial staff on the basis of

the amendment of the constitution program, which was adopted earlier by the commission.

The commission provided some guidelines for the editorial staff to study and readjust draft amendments to the chapters that have already been submitted to the commission. They also provided guidelines for the continued preparation of draft amendments to the subsequent chapters that are to be submitted to the commission for consideration at the following sessions.

## Editorial on Increased Role of State Management

*BK0910011590 Hanoi TAP CHI CONG SAN in Vietnamese Aug 90 pp 1-6*

[Editorial: "Intensify the Role of State Mangement Under the Party Leadership"]

[Text] When the revolution was accomplished, the most urgent task was to found a state. The character and duty of the state are decided by those of the revolution. Our state, which was founded after the August 1945 Revolution, is of the people, for the people, and by the people. It has been established on the basis of a worker-peasant-intellectual alliance led by the Communist Party of Vietnam.

Following the 1975 Spring Victory, our country's revolution has entered a new stage. In compliance with the party line, a unified socialist state has been founded in the entire country.

Socioeconomic environments and class character may vary from one state to another, but any state is supposed to perform its management functions. State management is a reason for a state to exist.

In our country, except for those years of war, state management functions have not been clearly defined. There are many reasons for our poor state management status. One of the main reasons is that we lack correct and adequate theoretical knowledge about socialism, especially about the socialist economy, about a socialist political system, and about the socialist relationship between economics and politics. We have failed to apply correctly the law on the relationship between our economic infrastructure and our political superstructure. Prolonged failure to distinguish between the party's leadership functions and the state's management functions has led to a prevalent phenomenon of party organs putting themselves into state organs' shoes, thus creating a state of dependency among various state organs and virtually degrading the roles of party leadership and state management. Although this situation has already improved, attention should continue to be given to better resolving problems regarding mechanism, systems, and modus operandi.

Both in our thoughts and actions, it is necessary to assert categorically that the state management job must rest with the state and only the state is accorded with the managerial functions. The party should lead the state through its policies, its inspection of the implementation of the party line, and its recommending capable cadres for state management functions instead of taking over the state's management job.

The management of the socialist state is both a science and an art. It is quite new to us. Only by repeatedly experimenting with this job can we come up with an effective and good management method. Management work must have an effect on society and must produce desired results. Management reflects the capability of the state in carefully managing and guiding social life, in positioning each person in the relations with production and with other persons, creating and building up the interrelations among men while working for a given purpose. The power the people entrust to the state and to the cadres and workers of the state is to administer the society and country and to bring benefits to each laboring person. Any use of this authority by citizens for parochial or personal gains will be strictly forbidden. The most important means of management is power. The state power manifests itself in various legal systems. Only when these legal systems are applied in daily life can the administration be respected. Life constantly spawns new problems and new differences that should be solved correctly and promptly along the socialist direction. Therefore, management cannot be relaxed or stopped.

State management is quite different from party leadership. But why have there still been indications of party organs "putting themselves into the shoes" or doing the job of state organs? This is not because of a misunderstanding or a mix-up between the concepts of leadership and management but rather because of a failure to clearly distinguish between the sphere of party leadership and that of the state's power entrusted to it by the people. Moreover, this is also because of the specific situation in our country: The decades-long war seems to have created a habit of having the party leadership cover and replace many management activities of the state. Party organizations seem to have an edge over administrative organs. Society is not chiefly organized and readjusted by state law but rather by party policies, directives, and resolutions. Therefore, distinguishing the party's leadership functions and the state's management functions in real life constitutes the foremost requirement for literally guiding the state management into its orbit.

State management is administered by law. State law constitutes the criteria and unified patterns that serve as the basis for every person and every organization to undertake and regulate their activities. In economic activities, although economic and administrative measures retain a very important position, we still need a system of economic laws. When it comes to the adoption of economic and administrative measures, we still have to rely on various legal forms. Under the socialist regime, a multicomponent economic mechanism cannot exist and cannot develop if it is not governed by law or organized and adjusted in accordance with law. Law

plays an irreplaceable role in encouraging all economic components to combine with each other and compete with each other in the process of development along the line of socialism.

By looking at the real state of activities of the multicomponent economy and social life in our country, we can realize that state management by law still reveals many weaknesses and limits. Here, attention should be paid to both aspects. On the one hand, although legislative work has made headway in the recent past, it remains slow in general. Therefore, laws still have not been formulated for many domains of social activity. Meanwhile, a number of the party's important policies have not yet been institutionalized into laws. This is due to the lack of competent law-making cadres. The most difficult thing in legislative work at present is that at a time when the socioeconomic situation is still subject to complex changes and remains unstable, we still have to ensure to a certain degree the realistic and scientific nature of every law promulgated in an effort to turn it into a tool for the state to exert its influence on society.

On the other hand, it is essentially imperative to put an end to the situation in which law is defied or not scrupulously enforced. This situation is prevalent everywhere and has dragged on and become serious in certain places. Noteworthy is the violation of law among state agencies (under numerous forms: individual, collective, between higher and lower organizations or between one organization and another...) and the establishment of illegal contacts, which has the tendency to increase constantly.

Under such a situation, many localities have failed to punish the wrongdoers severely and promptly. There are cases involving infractions that have been left untouched or unresolved. We all are well aware that if we fail to enforce law and to penalize infractions, law will become meaningless, the willpower of the state that is manifested by law will become empty, the people will disregard law, society will come under a state of disorder and anarchy, and the enemy and bad elements will probably avail themselves of this opportunity to carry out their schemes.

For state management agencies, administering management by law is not a simple and easy job when they are, in fact, still not thoroughly familiar with it. To ensure that state management by law is applied to life, attention should be paid to the following matters:

—All state agencies must scrupulously comply with law, know how to use law as a tool, and provide guidance for the people to abide by the law. They must also promptly prevent and severely deal with all acts of lawbreaking by anyone and oppose all efforts to cover up any case involving infraction.

—They must improve their knowledge of law, satisfactorily apply law, and supervise the application of law among state cadres and personnel, especially those engaged in complicated socioeconomic activities that involve material wealth. Meanwhile, they must develop suitable forms and contents of propaganda and education on law for each individual among the population to ensure that all people are equipped with an essential level of knowledge of law, thus creating favorable conditions for them to take part in work related to state management.

—All state agencies must fulfill their functions and duties, while coordinating with the other organs concerned to act uniformly and create integrated strength in state management work. This is to satisfy the common needs of society. Factionalism, localism, and such practices as doing things at one's convenience and imposing one's own regulations have inflicted substantial harm on the harmonious nature of our country's socialist legal system.

—They must know how to use and develop law-abiding managerial measures in combination with other measures—administrative, economic, idelogical, and psychological. They must also know how to turn law-abiding managerial measures into the key measures throughout the process of management, while developing the effects of the other managerial measures to create a diverse and harmonious reaction to management work. Paying attention to reviewing management work to acquire necessary experience for improving managerial knowledge in every aspect will bring about practical results to meet the requirements.

The state apparatus must renovate itself more positively in accordance with a plan based on systematic and practical dialectics. Instead of depending on subjective ideas and desires, renovation should literally proceed from objective demands of life, of socioeconomic development, of the application of various laws on socialist construction in the transitional period, and even of socialist management principles in our country. At the same time, attention must be given to solving problems arising during the process of renovation to promptly develop the effect of what has already been renovated. Rearrangement and rectification of some state organs to build them into a compact and effective mechanism are part of the many efforts to be made. It is necessary to draw on experience from such activities for the betterment of work implementation.

To continue to improve the quality of the state apparatus, it is necessary to concentrate on resolving the following tasks:

1. Resolutely purify and improve the quality of the contingent of cadres and workers of various state organs. Currently it is worrisome that the number of government cadres and employees found violating the law consitute a high proportion and are increasing daily. Motivated by personal gains, these people have committed various offenses such as corruption, bribe-taking, and misappropriation of the property of the state and of other people. Some of these law offenders have abandoned their posts. Here, we must also note both the irresponsibility and the lack of power of their supervisors.

It is necessary to realize that together with the ills of bureaucracy and formalistic ostentation which have taken root in many persons and which have left no small damage, corrupt practices are taking place ever more seriously. There have been grave violations of the property of the state and the people, thus arousing disappointment and indignation among the people of all strata and substantially discrediting various state organs. Fighting these bad practices is a difficult, complicated, and prolonged task. Organizationally and in terms of personnel, we must rectify and closely examine the contingent of cadres and employees and resolutely deal with those found violating the law, replacing them with reliable and competent people. We must definitely not allow those no longer qualified for management to remain in state organs, especially in those organs dealing mainly with state property and assets. Simultaneously, efforts must be made to systematically provide more training to cadres and state employees to meet new demands of the managerial task.

2. Improve the managerial role of the National Assembly and of the Council of Ministers. Whether or not the state apparatus can effectively administer the state affairs according to the law will depend chiefly on the roles of the National Assembly and the Council of Ministers. The National Assembly and the Council of Ministers are the only ones having macro-management capability. In this aspect, apparently there has been a relaxed control over many things, especially over the economy, which is being switched to a commodity-based multisectoral socialist economy, as well as over the cultural and ideological fields. In macro-management, we also continue to display negligence and indecision.

In the past the National Assembly has accelerated its legislative work and intensified its supervision over the work of the Council of Ministers. However, in general, our National Assembly is not so active and does not have adequate power to discuss and decide on those major issues of the country that need a comprehensive knowledge of the legislative and supervisory task. More visibly, now there has been a demand for developing the role of the National Assembly, which is the highest organ of power of the state and which is also the highest representative of the people's right to mastery. Therefore, it is necessary to continue to improve the operations of the National Assembly in terms of its organizational structure, the standards of its deputies, and the substance of its modus operandi.

Despite its efforts, the Council of Ministers, in its capacity as the highest executive organ, continues to carry out its managerial duty with poor results. Now we must take effective measures against negative phenomena prevalent in various state organs such as corruption, bureaucracy, formalistic obstentation, slavish waste, blackmarketeering, and illegal granting of import permits. At the same time, we must promptly and sternly deal with those found violating the state law and regulations in various state organs at the central and local levels. While the socioeconomic situation is undergoing changes for the better, complicated problems have emerged. We must pay attention to reviewing our managerial work in all respects to promptly correct errors, set forth guidelines for correct management, and draw on useful experience needed for improvement of managerial knowledge.

3. It is necessary to ensure and correctly comply with the principles of democratic centralism in management to get rid of undemocratic, bureaucratic centralism while refraining from exercising excessive democratization at the expense of centralism. This is a very difficult task, because in practice it is easy to deflect to one side or another. It is difficult to properly define "the proportions" between centralism and democracy to meet objective and subjective demands of managerial work in each stage of the country's socioeconomic development. We must distinguish between the state management functions and the occupational management functions of each sector. We must also distinguish between administrative management and business management. At the same time we must set up protective "fences" to prevent deflection to any direction. The application of this principle [of democratic centralism] may vary depending on the level of all-around social progress and the managerial skills of the state management apparatus. In addition to criticizing those erroneous extremist ideas that deny the principle of democratic centralism, study is necessary to clarify new concepts on the principle of democratic centralism under the conditions of looking back and renovating socialism.

In reality, to correctly apply this principle, it is also necessary to satisfactorily solve the question of decentralization and the separation of power between the central and local levels. We must be more rational in decentralizing and separating powers, trying to ensure the self-motivation, dynamism, and creativity of various localities as well as the necessary concentrated leadership of the central level.

The handling of national affairs in the current situation is not only difficult; it also faces new problems. In compliance with the renovated guidelines of the sixth party congress, our state apparatus—ranging from the National Assembly and the government, to various ministries, sectors, and people's committees at various levels—must develop the people's right to mastery, strive to improve their managerial role, contribute to comprehensively stabilizing the country, and generate new developments in the cause of socialist construction and defense of our country.

## New FRG Ambassador Presents Credentials

*BK1610034290 Hanoi VNA in English 1538 GMT 15 Oct 90*

[Text] Hanoi VNA October 15—The new ambassador extraordinary and plenipotentiary of the Federal Republic of Germany, Jurgen Elias, today presented his credentials to Vice President of the State Council Le Quang Dao.

Vice President Le Quang Dao had a cordial conversation with the German diplomat.

## Officials Meet, Receive Lao Judicial Delegation

*BK1110160190 Hanoi VNA in English 1451 GMT 11 Oct 90*

[Text] Hanoi VNA October 11—A delegation of the Lao People's Supreme Court led by its president Kett Kiettisak paid a visit to Vietnam from October 2-9.

While here, the Lao delegation held talks with Pham Hung, president of the People's Supreme Court of Vietnam.

It was received by Le Quang Dao, vice president of the State Council and chairman of the National Assembly.

It also had working sessions with domestic administrative branches at the central and municipal levels and visited Ho Chi Minh City.

## Do Muoi Meets World Meteorological Delegation

*BK1010072490 Hanoi VNA in English 1514 GMT 9 Oct 90*

[Text] Hanoi VNA October 9—Chairman of the Council of Ministers Do Muoi received here this afternoon the visiting delegation of the World Meteorological Organization (WMO) led by its secretary general G.M.P. Obasi.

Chairman Do Muoi expressed thanks to this world organization for its assistance to Vietnam's meteorological and hydrological service and people over the past years. He also expressed the desire for the further development of the friendship between WMO member countries and Vietnam in order to achieve professional and humanitarian aims set by WMO.

The delegation, which also included Ho Tong Yuen, president of WMO's Asia and Southwest Pacific Regional Association, and arrived here on Ocober 6, had working sessions with a delegation of the Vietnam General Department of Meteorology and Hydrology headed by Director Tran Van An. The two sides exchanged views on the cooperation in meteorological, hydrological and environmental fields between WMO member countries, international organizations concerned and the Vietnam General Department of Meteorology and Hydrology.

The delegation made a study tour of a number of meteorological and hydrological stations in the country, including projects built with WMO's assistance.

The delegation is expected to leave here for Ho Chi Minh City and special zone of Vung Tau-Con Dao tomorrow.

## Further on CPV Delegation's Visit to Laos

*BK1410101490 Hanoi Domestic Service in Vietnamese 1430 GMT 13 Oct 90*

[Text] A delegation of the Communist Party of Vietnam [CPV] Central Committee Organization Department paid a friendship visit to Laos from 4 to 11 October. The delegation was led by Comrade Nguyen Van Linh, member of the party Central Committee and deputy director of the department.

While in Laos, the delegation was received by General Khamtai Siphandon, member of the Lao People's Revolutionary Party [LPRP] Central Committee Political Bureau, permanent member of the party Central Committee Secretariat, and minister of national defense.

Gen. Khamtai Siphandon hailed this visit to Laos by the delegation as a contribution to further strengthening the special solidarity and all-round cooperation between Laos and Vietnam.

The delegation of our party Central Committee Organization Department also exchanged views with the delegation of the Organization Board of the LPRP Central Committee on organizational and cadre-related work and toured a number of production establishments and historical and cultural relics in Laos.

## Nguyen Thanh Binh Addresses Nghe Tinh Rally

*BK0910061890 Hanoi NHAN DAN in Vietnamese 14 Sep 90 pp 1, 4*

["Text" of address by Nguyen Thanh Binh, member of the Political Bureau and secretary of the party Central Committee, at a ceremony held in Nghe Tinh Province on 12 September to mark the 60th anniversary of the Soviet movement of Nghe Tinh]

[Text] Today, we mark the anniversary of the Soviet movement of Nghe Tinh Province at a time when we have successfully commemorated great President Ho Chi Minh's birth centenary and the 45th anniversary of the historic August Revolution, and when our entire party and people have made every effort to implement the renovation undertaking so as to better carry out socialist construction. Many complicated changes have taken place worldwide. Many hostile forces have tried by all means to deprive the communist parties of their leading roles.

Against that background, the 60th anniversary of the Soviet movement of Nghe Tinh is of particularly important significance. This is a good opportunity for everyone not only to recall the Nghe Tinh Province party organizations and people's heaven-shaking and earth-resounding struggle against the imperialist and feudal forces but also to stir up and apply the heroic traditions of the movement to the renovation cause currently being carried out in the native place of esteemed Uncle Ho as well as in other parts of the country.

Sixty years ago, Nghe Tinh served as a venue for the patriotic people of a semi-feudal colony to wage a stalwart struggle against oppression, exploitation, and foreign aggression. Also, Nghe Tinh was then one of the first provinces to promptly embrace Marxism-Leninism. Soon after the birth of the Communist Party of Vietnam [CPV], Nghe Tinh successfully built strong party organizations and developed mass organizations like workers and peasants associations. The ruthless rule and repression of the imperialist and feudal forces as well as the consequences of the politicoeconomic crisis facing the capitalist system in the 1930's caused untold suffering to local workers, peasants, and people of all walks of life. Therefore, the Nghe Tinh people quickly realized the need for solidarity and mutual assistance. Prompted by the earnest desire for independence, freedom, and a bountiful and happy life, the Nghe Tinh people initiated a fierce struggle to smash the colonialist regime's shackles and chains. These circumstances were both the conditions and factors for Nghe Tinh to provide fertile soil for the revolutionary seed to sprout and develop in the 1930's and ultimately lead to the heroic Soviet movement.

Acting in line with the strategic goals set forth in the party's brief political platform and responding to Comrade Nguyen Ai Quoc's appeal on the occasion of the party's founding anniversary, the heroic Nghe Tinh people rose up in the spring of 1930 and continued to step up their struggle in 1931. The movement began to enjoy the widespread participation of the masses on 1 May 1930 when workers, peasants, and students in Nghe Tinh responded to the party Central Committee's call for the commemoration of International Labor Day. After that, the "red wave" continued to rise in May, June, July, and August in various factories, schools, villages, and hamlets. The strength of the revolutionary offensives weakened the imperialist- and feudal-backed village and district administrations. In September 1930, the Nghe Tinh revolutionary movement reached its peak with the birth of the Soviet administration, which was a form of self-government by the people. The Soviet administration was the result of thousands of widespread, relentless, and fierce demonstrations by the laboring people.

In its capacity as a worker-peasant administration, the Soviet administration acted as a proletarian dictatorship tool to crack down on reactionary elements, to oppose the imperialist forces' terrorist acts, and to guarantee democracy for certain aspects of the people's socioeconomic life. The laboring people began to learn how to build a truly new life. They enjoyed equal treatment and wholeheartedly contributed to maintaining public security and order and to protecting the revolutionary administration. Land was distributed to the poor. Irrational taxes and social evils were all abolished. These were changes never before seen in Vietnamese society under the colonial regime. Together with Nghe Tinh, and responding to the Soviet movement of Nghe Tinh, people throughout the three parts of the country vigorously initiated a widespread revolutionary movement. Because the strength of the masses' revolutionary struggle posed an unprecedentedly great danger to their ruling system in Indochina, the French colonialists frenziedly resorted to terrorism to crush the Soviet movement. An endless white terror campaign was launched. The Soviet administrations were plunged into a sea of blood. Thousands of Communist Party members were arrested and tried. Heavy sentences were imposed on them, including sentences of death, life imprisonment, or deportation to numerous prisons in Lao Bao, Kon Tum, Buon Me Thuot, and Con Dao island. As a result, the Soviet movement did not last very long. Given the historical conditions of that time, the failure of the movement was inevitable. Because Uncle Ho and the party Central Committee had anticipated that course of development, measures were taken to guide this movement in the direction of maintaining and consolidating the influence of the party and the Soviet movement on our people.

Although the Soviet movement of Nghe Tinh did not last very long, it has attained great significance. Sixty years have elapsed but the great value of the movement has remained intact and the significance of this historical event has become more prominent and more profound with each passing day. The event marked the first fierce attack against the imperialist and feudal forces' ruling system in Vietnam and the French imperialists' overall colonialist system. The repercussions of the Soviet movement have reached not only other parts of the country but also the communist movement and the liberation movement of the oppressed peoples.

The Soviet movement of Nghe Tinh has opened up a new era for the communist party-led Vietnamese revolution in which the working class and the laboring people rose up to struggle for the right of mastery. The movement has testified to the strength of the worker-peasant bloc, the marvelous creativity of the masses, and the leadership role of the Communist Party, the vanguard brigade of the Vietnamese working class. As ascertained by President Ho Chi Minh, the movement marked the first general maneuver to "make preparations for the August Revolution to score victories."

Thanks to its significance, the Soviet movement of Nghe Tinh has always remained a great event in the history of our people's revolutionary struggle. The movement has taught our entire party and people in general and the Nghe Tinh party organizations and people in particular many valuable lessons about the people's national democratic revolution and the socialist revolution. These lessons have testified to the need to intensify both the national independence struggle and the socialist revolution, to link the anti-imperialist struggle with the anti-feudal struggle, to use appropriate forms of revolutionary activities and methods to translate the party lines into the mass movement for revolutionary actions, to set up a sound worker-peasant alliance, to rely on the masses' strength to stir up and develop the extraordinary creativity that the people have displayed in the course of

the revolutionary struggle, and to build and firmly maintain the party's working class character.

Developing the traditions of the Soviet movement and together with the entire nation, compatriots and combatants in Nghe Tinh have greatly contributed to our people's glorious achievements, namely the success of the August 1945 General Uprising—which gave birth to the Democratic Republic of Vietnam—and the victories of the anti-French colonialist struggle and the anti-U.S. imperialist war of resistance.

Since the spring of 1975, our country has achieved complete independence and unification, our country's revolution has shifted to a new stage, and the entire nation has marched forward along the path to socialism.

Fifteen years have elapsed. Developing the heroic traditions of the Soviet movement, the Nghe Tinh people have overcome many difficulties and challenges and have scored great achievements in building the country and defending the fatherland in venerated Uncle Ho's native place.

The advance toward socialism is the inevitable path for our country's revolution to follow because it is the right choice, made by Uncle Ho and our party. National independence and socialism have remained the goals of our people's struggle for 60 years now and will continue to be so from now on. This is the right direction to follow because it is consistent with the era's development trend.

In order to lead the Vietnamese Revolution forward along the present path and in accordance with the new national and international conditions, the Sixth Party Congress has put forth a renovative line aimed at developing the spirit of self-reliance, hard work, and thrift in national construction; at liberating all production forces; and at bringing into full play all potential, guaranteeing stability and effective development for the transitional period to socialism in our country.

There exists an urgent need for continued efforts to carry out the renovation undertaking in accordance with set principles and appropriate steps. This is a life-or-death issue for our country. The most important task—which is both fundamental and urgent—for our entire party and people to fulfill is to do all we can to develop all advantages, overcome all difficulties, stabilize and promote socioeconomic development in all fields, accelerate production, practice thrift, and bring into full play all material and spiritual resources so as to secure higher labor productivity and better economic results. It is necessary to concentrate efforts on successfully implementing the 1990 socioeconomic development plan. We note with joy the initial important results that the Nghe Tinh party organizations and people have scored in the renovation undertaking. As examples, we can cite their achievements in promoting agricultural, industrial, cultural, scientific, educational, and public health-care development; in maintaining political security and social order; in overcoming the consequences of natural disasters; and in normalizing the local people's lives step by step.

The present situation and tasks require the party organizations and administrative organs at all levels to further heighten the sense of responsibility. It is of utmost importance for all of them to remain active and dynamic when it comes to leadership and management. At the same time, it is important for everyone to uphold a sense of discipline and to scrupulously implement all party resolutions and state decisions. Efforts must be made to guard against and overcome all manifestations of complacency, individualism, and violations of party policies and state law because of personal or regional interests.

In this grand anniversary, the better we understand the great magnitude and historic significance of the Nghe Tinh Soviets, the more we are proud of the CPV, the heroic Vietnamese people, the home of the Nghe Tinh Soviets, the birthplace of Great President Ho Chi Minh, and the land that gave rise to a momentous event that has become forever a brilliant milestone in our national history.

True to the scietific and revolutionary doctrine of Marxism-Leninism and to the testament of venerated and beloved President Ho Chi Minh, and persistently following the socialist path, let the party organization and people of Nghe Tinh take pride in the heroic tradition of the Nghe Tinh Soviets and resolutely overcome all difficulties and obstacles to win repeated victories in the renovation process.

Long live the SRV!

Long live the glorious CPV!

President Ho Chi Minh will live forever in our cause!

Thank you and good health to you, comrades and compatriots.

## Group Holds Talk on Korean Party's Anniversary

*BK1110073790 Hanoi VNA in English 1458 GMT 10 Oct 90*

[Text] Hanoi VNA Oct. 10—A talk on the Democratic People's Republic of Korea was organized here today by the Standing Committee of the Hanoi CPV [Communist Party of Vietnam] organization in celebration of the 45th founding anniversary of the Workers' Party of Korea (WPK) (Oct.10).

Speaker was DPRK Ambassador to Vietnam Yi Hong and the audience was, among others, Pham The Duyet, secretary of the CPV Central Committee and of the Hanoi Party Committee.

## Armed Forces Anniversary Meeting Held in Hue

*BK1210111490 Hanoi Domestic Service in Vietnamese 1430 GMT 11 Oct 90*

[Text] In the afternoon of 11 October in Hue, the Provincial Party Committee, the People's Council, the People's Committee, the Fatherland Front, and the Thua Thien-Hue Province military command organized a meeting to commemorate the 45th anniversary of the traditional day of armed forces in Region Four, 15 October 1945-15 October 1990. Lieutenant General Nguyen Quoc Thuoc, member of the Party Central Committee, commander of the fourth military region, and several commanding cadres of the region military command attended the meeting.

Comrade Vu Thang, member of the Party Central Committee, secretary of the Thua Thien-Hue Party Committee, gave a speech. He pointed out the outstanding achievements of the armed forces in Region Four in general, and Thua Thien-Hue in particular in the past 45 years, especially in the two struggles against the French and the Americans. These forces had stupendous victories in Thanh Lam Bo, Thanh Huong, Khoi Mit, and Hoa My. Of especial significance was the victory at the ancient capital Hue, where they controlled the area for 25 days and nights.

The Thua Thien-Hue armed forces proudly received the Determined To Fight, Determined To Win flag and the Lenin prize from President Ho Chi Minh. The western area of Tri Thien and Thua Thien-Hue province were declared heroic by the state and given the Gold Star Order for fighting against the United States to save the nation.

## Nguyen Thanh Binh Attends Bridge Inauguration

*BK1510090790 Hanoi Domestic Service in Vietnamese 0500 GMT 14 Oct 90*

[Text] This morning, 14 October, the Party and People's Committees of Thai Binh Province and the Ministry of Communications, Transportation, and Post and Telegraph held a ceremony to inaugurate the Thai Binh bridge on Tra Ly River. The new bridge was built in the heart of Thai Binh City, 800 meters upstream from the site of the old bridge. Attending the inaugural ceremony were Comrades Nguyen Thanh Binh and Nguyen Duc Tam, both members of the party Central Committee Political Bureau; Le Quang Dao, chairman of the National Assembly; and representatives of the local people and some neigboring localities.

The Thai Binh bridge, which is 313 meters long and 15 meters wide and has three lanes totalling 10.5 meters of road surface, is a major structure of a modern, attractive design. Together with the nearly three km-long newly-built road connecting it to national Highway 10, the bridge gives the city a new image. Construction was carried out by the Bridge Building Enterprise No. 12 of the Union of Communications Enterprises No. 1.

Comrades Vu Manh Rinh, chairman of the Thai Binh Provincial People's Committee; Bui Danh Luu, minister of communications, transportation, post and telegraph, cut the ribbon to open the bridge. Le Quang Dao, chairman of the National Assembly, presented the Labor Order, First Class, to the communications and transportation service of Thai Binh and the Bridge Building Enterprise No. 12, which were the most outstanding units in the construction of the Thai Binh bridge.

## Paper Examines Failure of Traitors' Attempts

*BK1510125690 Hanoi Domestic Service in Vietnamese 1430 GMT 13 Oct 90*

[Article by Hong Dan in 13 October NHAN DAN: "What the Traitors Cannot Avoid Is Their Lamentable Failure"]

[Text] The three attempts by armed men of the so-called United National Front for the Liberation of Vietnam—a U.S.-based counterrevolutionary organization—to infiltrate our country from Thailand to conduct their dark schemes all met humiliating defeat.

The first attempt was made on 15 May 1986, when a group of 51 men under the command of Duong Van Tu sneaked into Laos on their way to Vietnam to oppose and undermine the revolution. However, no sooner had they carried out their plans than they were detected by the Vietnamese and Lao armed forces. As a result, 42 were killed and nine were captured.

The second attempt was on 7 July 1987, when three groups—comprising 150 men equipped with large quantities of modern weapons and operational means and personally commanded by Hoang Co Minh, leader of the United National Front for the Liberation of Vietnam—headed toward Vietnam via Laos from their base in Thailand. However, they were detected while on the march in Laos. Sixty- eight, including the leader Hoang Co Minh, were killed on the spot; 67 were captured alive; and 15 others were forced to head back to Thailand. These included Dao Ba Ke, alias Tran Quang Do.

Despite their two previous failures, these counterrevolutionaries still refused to learn a lesson, for they tried to play with fire like mayflies. On his return to Thailand, Tran Quang Do contacted Ba Hoang and Tran Loc in the Hoang Co Minh counterrevolutionary organization to continue their schemes to send armed men home to oppose and undermine the revolution.

Claiming that their leader Hoang Co Minh was still alive and was in command in the war zones, they wormed their way into various Vietnamese refugee camps to carry out propaganda among people found to be in a state of despair to seduce, bribe, or trick them into joining the United National Front for the Liberation of Vietnam. Between February 1988 and May 1989, they successfully recruited and sent some 100 men to Van Kiep base, where they were placed under the direct command of Ba Hoang and Tran Loc and organized into

two groups—1419 and 2589. Tran Quang Do was appointed leader of group 1419.

On 22 August 1989, Do was assigned command of these two groups, which included 68 men, and to carry out armed infiltration into Vietnam. However, as in the two previous attempts, no sooner had they set foot on Lao soil than they were detected and ambushed by the Armies and peoples of Vietnam and Laos. As a result, 29 were annihilated and 38 were captured.

Early in October, standing before the court with all the material evidence, Tran Quang Do and his accomplices had to confess their crimes. Once again, their dark schemes and criminal acts against the people and the country were laid bare and severely condemned by broad segments of the public at home and abroad.

With the help of a number of reactionary forces in the United States, the so-called United National Front for the Liberation of Vietnam was set up in Southern California on 30 April 1980 with Hoang Co Minh as its president. Hoang Co Minh had been a rear admiral in the Saigon puppet Navy, who fled to the United States after 1975.

That group of leaders included persons who had joined the Saigon puppet Army and who had incurred many blood debts to our people, such as Dang Phat Hiep, a former puppet lieutenant colonel; Duong Van Tu, a former infantry lieutenant colonel; and Nguyen Kim, a former Air Force major.

They publicized this organization and rigged up many subordinate organs that, among other units, consisted of the National Resistance Council, the Resistance Armed Forces, the Home and Foreign Affairs Departments, etc.... in the hope of materializing what they called national liberation.

Hoang Co Minh was reportedly appointed president of the front and chairman of the National Resistance Council, while Dang Quoc Hien and Duong Van Tu were given the positions of commander and deputy commander of the Resistance Armed Forces respectively; Nguyen Kim became head of the Foreign Affairs Department.

They also chalked up the Canh Tan Cach Mang Dang [Renovated Revolutionary Party] known as Viet Tan [Renovated Viet] which they regarded as an essential force to lead the front. They used the national anthem and the national flag of the former puppet Saigon regime for their own front; for the Viet Tan party they chose a banner with a blue background and a six-petal white prunus in the middle. The political platform and the by-law of the Viet Tan party, which was printed and distributed in many countries where overseas Vietnamese reside, openly revealed their foolish desire for conducting sabotage activities in the advance toward overthrowing the people's administration in the country, abolishing the socialist Vietnamese regime, discarding the Communist Party of Vietnam, and reinstalling the Republic of Vietnam regime.

They also set up the Vietnam Resistance Radio in Thailand and published the KHANG CHIEN [Resistance] newspaper in the United States. Through wooing and buying-off efforts, they succeeded in recruiting 200 people from various refugee camps and provided them with political and military training at their bases before sending them home to undermine the revolution. Their plan was divided into five phases as follows:

—Gathering forces, setting up an organization, recruiting troops, and infiltrating them into Vietnam for armed activities. This first phase, which was to last until 1983, was called the Dong Tien [Eastward March] phase.
—Building the resistance infrastructure inside the country. This phase was to last until 1987.
—Building a buffer liberated zone by occupying a number of hamlets and villages or neutralizing some local administrations at the grassroots.
—Setting up bases to carry out sabotage activities. This phase was scheduled to begin in early 1990.
—Phase five calls for staging a general uprising to overthrow the revolutionary administration by the year 1992.

In reality, the past 10 years saw them still hung up on the so-called phase two or Dong Tien.

Although ending up in jail, Tran Quang Do and his men have still not recovered from shock. Despite the grandeur of the ceremony when they were sent off on the subversive mission at home, their careful preparations in all respects, and their being armed to the teeth, they were badly beaten and extremely terrified when they clashed with Lao and Vietnamese troops.

Tran Quang Do had been pleased with his well-equipped group whose weapons consisted of four B-40 and 14 M-72 antitank grenade launchers, 57 AK rifles, six pistols, and numerous modern means of communications. Besides clothing, medicine, and other daily necessities, members were each issued a uniform of the Vietnamese armed forces with military rank and emblem, two taels of gold, and 500 Thai baht. In particular, leading members of the group received from six to seven taels of gold each as an allowance for their operations in Vietnam.

Tran Quang Do received an order to set up temporary bases in Quang Tri, Quang Nam-Danang, and Gia Lai-Cong Tum, and to establish contact with their agents during military movements or with the in-country resistance administration in order to accelerate their activities and deploy their forces to the Mekong River Delta where, with Chau Doc and An Giang being regarded as their key area of operation, they would gradually motivate the people to join them or to support them in sabotaging a number of important economic targets—such as machinery plants, bridges, culverts, and railroads—and in collecting intelligence to send overseas.

Unfortunately, they were detected less than a week after their departure. Although faced with artillery shelling and a manhunt, Tran Quang Do still ordered his men to surreptiously walk on in single file, to refrain from discharging firearms, and to plant mines behind them.

Unable to contact his rear base, on 4 September Tran Quang Do forced four local Laotians to serve as guides.

To ensure secrecy of troop movement, Tran Quang Do ordered the forces split into two groups with one group made up of Quyet Doan 1419 [Determined Group 1419] that he led, and the other group made up of Quyet Doan 2589, led by Nguyen Viet Quoc.

On 12 September the group headed by Tran Quang Do could not make any further headway and was compelled to divide into two groups. Confronted with repeated raids and starvation, on 19 September when coming to the end of the road, Tran Quang Do and the remaining members of Quyet Doan 1419 were forced to surrender. As for the group led by Quoc, it also met the same difficulties. He ordered some of his men to steal chickens and pigs and to hunt the local people's water buffalo for food. But because of unfair food distribution, on 20 September Tam, Lam, and Hieu shot dead Quoc and Bien and seized their money and gold. Finally, because of fierce attacks by the two countries' armed forces and also because of their intrinsical fear of death and their infighting, they ran into an awkward situation and had to opt for surrender. This aggressive force ended up with 29 members killed and 38 captured.

At his jail, a reporter asked Tran Quang Do: What were you thinking of when joining your counterrevolutionary organization? Do replied: I was once in the Republic of Vietnam's U.S.-backed Army which, though having a mighty force in contrast to our small force, had been defeated. What I thought I could do was seek to incite the people to stage a rebellion by themselves, thus eventually bringing down the administration. But I was wrong for not knowing that these people and this administration are basically different from those in the East European countries. Therefore, our force's setback was inevitable.

Also like Tran Quang Do, Le Van Tien, the deputy command of Quyet Doan 2589 who was abandoned by his men when he was wounded, bitterly confessed his illusion and asked that the radio and the press help tell those who are pursuing the path of the overturned cart to realize that their path is one of hopelessness and that there is still time and a chance for them to repent their wrongdoings before the people and the country.

## Australia

### Chinese Students Return Despite Sanctuary Offer

*BK1110122290 Hong Kong AFP in English 0815 GMT 11 Oct 90*

[By Jack Taylor]

[Text] Sydney, Oct 11 (AFP)—Large numbers of Chinese citizens have returned to the Peoples' Republic despite Australia's offer of long-term sanctuary, the Australian Government said Thursday.

At least 1,400 who were staying in Australia at the time of the military crackdown in Beijing's Tiananmen Square on pro-democracy protestors in June last year had returned voluntarily to China within a year. More have left since, although it is not known how many. The Australian Government knows of none who has suffered any ill-treatment after returning.

Of the 1,400 known to have returned, 741 were students and the rest were on visitors' or temporary residents' visas. They were among an estimate 19,400 Chinese living in Australia up to June 20 last year, 16 days after the massacre. All had been offered sanctuary because of fears of reprisals by the Chinese authorities against some who had been involved in the pro-democracy demonstrations.

One Canberra-based politician told the government he had proof that Chinese Embassy officials had threatened and spied on Chinese student demonstrators in Australia. Bernard Collaery, MP, said he had photographs showing a bogus protester filming students at a demonstration to mark the anniversary of the massacre.

The National Union of Chinese Students and Scholars also warned of possible persecution of returning students. The union said it did not accept assurances there would be no persecution by Premier Li Peng, whom it described as an "arch-butcher" who had praised students for patriotism one week and slaughtered them as counter-revolutionary thugs the next.

None of the 19,400 was in any danger of being sent back, but the Australian Government formalised their sanctuary earlier this year, offering a four-year stay subject to review at the end of the period. But Prime Minister Bob Hawke has made clear that none would be forced to return after their visas expired.

A spokeswoman for Immigration Minister Gerry Hand said Thursday that it was not known how many of those granted sanctuary would eventually choose to return. "We don't know if the flow will continue or increase but we were not surprised that 1,400 or so had decided to go back," she said.

Another 6,900 had arrived in Australia since June 20 last year when the Chinese Government began screening their citizens wishing to leave the country. About 20 of those have been deported because of breaches of visa requirements, she said.

Mr. Hawke made clear in a speech to members of the Chinese-Australian community last week that he expects more Chinese to return after they had had time to watch developments in their country.

Despite official limitations on contact with Beijing because of the massacre, there is increasing evidence that, as far the Australian Government is concerned, trade in both directions has virtually returned to normal.

Among recent official visitors to China have been former prime minister Gough Whitlam and Trade Negotiations Minister Neal Blewett.

### Hawke Rejects Calls for Inquiry Into Media

*BK0810110090 Hong Kong AFP in English 0907 GMT 8 Oct 90*

[Text] Canberra, Oct 8 (AFP)—Australian Prime Minister Bob Hawke ruled out Monday an inquiry into the media, despite claims that print ownership was too concentrated and only foreign ownership could rescue the nation's television networks. Calls for an inquiry have increased since Rupert Murdoch's News Corp. created two papers from four on Monday by merging THE TELEGRAPH and THE MIRROR in Sydney and THE MELBOURNE SUN and HERALD in the southern city. Mr. Hawke told reporters he had not got "terribly carried away" by calls for an inquiry.

The idea seemed to be gaining popularity because there had been "a collapse of four publications into two," he said. "I don't see that of itself creating any new reason for such an inquiry," the prime minister said.

Parliament's transport and communications committee recently called on the government to inquire into ways of ensuring diversity of media ownership. Committee Chairman Neil O'Keefe said there was a danger that newspapers would end up in few hands.

The Australian-born Mr. Murdoch, who is now a U.S. citizen, owns 15 of Australia's 21 major papers. The other main papers are owned by John Fairfax Ltd., which has severe debt problems.

"We do have to look at the issue of foreign ownership and we have clearly got, at least in one of the major ownership fields, a debt problem similar to that which exists in the television field," Mr. O'Keefe said.

Two of Australia's three television networks, Channel 10 and Channel seven, are in receivership while Kerry Packer's channel nine lost 619 million Australian dollars (517 million U.S.) in the first six months of this year. Mr. Packer was recovering in hospital Monday after suffering a massive heart attack while playing polo the day before.

## Kiribati

### President Notes Opposition to U.S Chemicals

*BK1610080690 Melbourne Overseas Service in English 0500 GMT 16 Oct 90*

[Text] The president of Kiribati, Mr. Jeremia Tabai, says the heads of Pacific Island governments are determined to express their opposition to the burning of American chemical weapons on Johnston Atoll to President Bush. Mr. Tabai said they would voice their opposition when President Bush held his Pacific summit meeting in Hawaii later this month. The heads of 13 independent Pacific island nations have been invited to the one-day meeting with the president.

Mr. Tabai, who is in New Zealand to receive an honorary degree, said the islands leaders would use the occasion to seek assurances that the United States would not use Johnston Atoll as a permanent facility to destroy all its chemical weapons. He said in his view, the chemical destruction could not be safe if Americans did not want to burn the weapons on the mainland and island leaders saw the use of Johnston Atoll as unnecessary.

## New Zealand

### Moore Welcomes U.S. Farm Subsidy Proposals

*BK1610053090 Hong Kong AFP in English 0451 GMT 16 Oct*

[Text] Wellington, Oct 16 (AFP)—New Zealand Prime Minister Mike Moore Tuesday welcomed U.S. proposals for cutting farm subsidies worldwide saying they were tough enough to break the logjam around the GATT talks due to end in December.

The United States and the Cairns group of free trade advocates, including New Zealand, presented revised proposals in Geneva on Monday under the General Agreement on Tariffs and Trade (GATT) Uruguay round of talks aimed at freeing world commerce. The plans both sought 75 per cent reductions in production subsidies and support and 90 per cent cuts in export subsidies. The reforms would be spread over 10 years from 1991.

The US proposal lowered the free trade sights slightly so it would be more acceptable to the GATT's 105 members but was "tough enough" to break through the current logjam in the negotiations, Mr. Moore said. Mr. Moore said the U.S. proposals could "slice through the absurd levels" of protection and assistance barring New Zealand's access to many export markets.

In a statement, he said the U.S. plan would be a sound basis for negotiation over the remaining five weeks as it contained detailed suggestions on the speed and extent of reform. An earlier U.S. initiative to eliminate all support by the year 2,000 was unacceptable to the European Economic Community and Japan, he said. "The current U.S. offer says there is room to negotiate, but the pressure for real and tough reduction in support and protection stays on," he said.

### New Zealanders Able To Move About Kuwait City

*BK1610050390 Hong Kong AFP in English 0432 GMT 16 Oct 90*

[Text] Auckland, New Zealand, Oct 16 (AFP)—New Zealanders trapped in Iraqi-occupied Kuwait City were able to move more easily around the city, a family member here said Tuesday. At least 11 New Zealanders are believed to still be in Kuwait.

Kirstin Krul said her father Leen Van Wessel had written saying conditions for New Zealanders in the city had improved slightly, although there was still looting and food was short. "Moving around the city is a lot easier and they are able to get through the road blocks," she said. Her father and other New Zealanders had been visited by Iraqi troops in their apartments, "but once they found out they were New Zealanders they walked out".

Unlike some Americans who had "blabbed" about what the Iraqis were doing in Kuwait, putting at risk their fellow countrymen, families of New Zealanders there had been told to keep their comments as low key as possible, she said.

Mr. Van Wessel was fortunate that he had sufficient money to buy food and was now in better spirits after starting a new job with the Kuwait Danish Dairy Co., she said.

Iraq invaded Kuwait August 2 leading to a United Nations-supported blockade and the setting up of a U.S.-led multinational force in Saudi Arabia. Since the occupation there have been various reports of looting and torture by Iraqi troops.

## Papua New Guinea

### Irian Jaya Refugees Sheltered in French Embassy

*BK1610095890 Hong Kong AFP in English 0939 GMT 16 Oct 90*

[Text] Port Moresby, Oct 16 (AFP)—The French Embassy was Tuesday sheltering a group of 20 refugees from Irian Jaya who have asked for political asylum, Papua New Guinea's Foreign Minister Michael Somare said Tuesday.

In a statement Sir Michael said the group had absconded from a refugee camp on Papua New Guinea's western border with the Indonesian province of Irian Jaya. He

said their request for political asylum was a matter for the French Government, but warned that the group would be returned to their refugee camp if it was rejected.The French Embassy confirmed the 20 Irianese had entered the building on Monday, but declined to comment otherwise.

The refugees are part of the estimated 8,000 Irianese who have spilled over to Papua New Guinea to escape flare-ups between the Operasi Papua Merdeka (OPM - Free Papua Movement) and Jarkarta's troops. The OPM has waged an independence war since Irian Jaya was incorporated into Indonesia in 1963.